

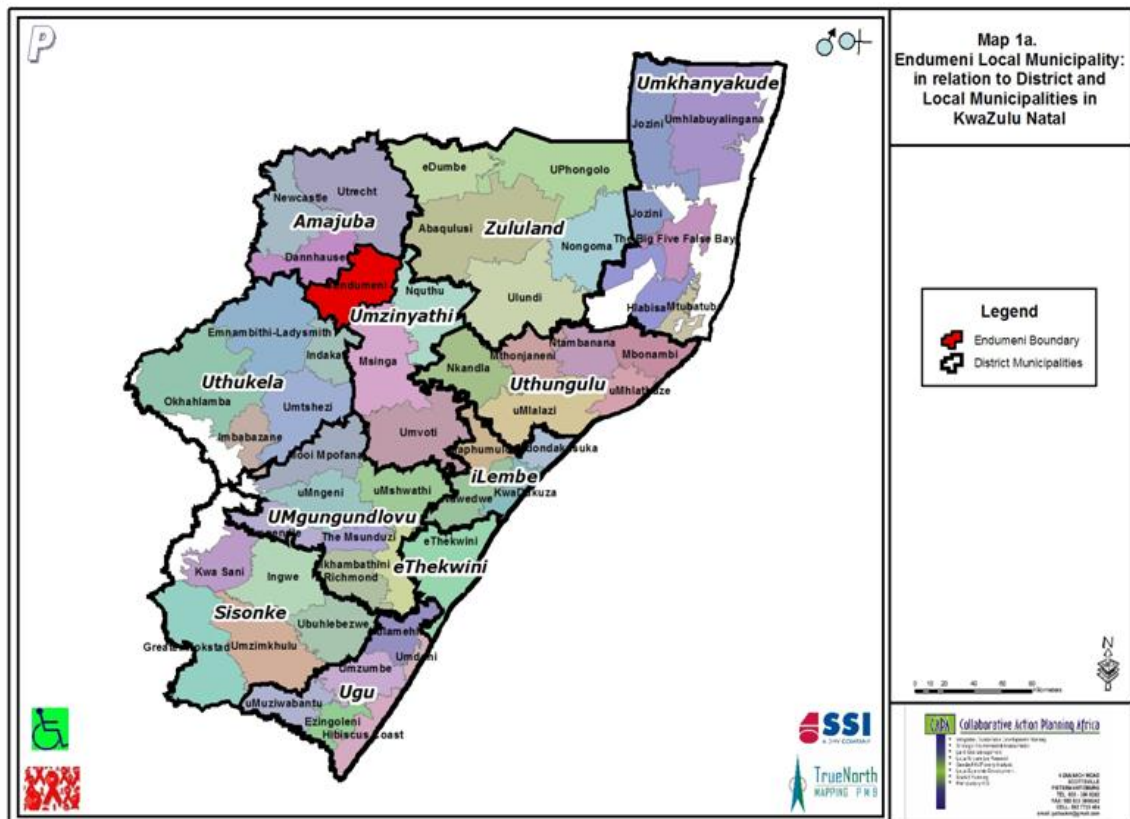
A - EXECUTIVE SUMMARY



A1 WHO ARE WE

Geographical area

Endumeni Municipality is located 360 kilometers South East of Johannesburg and 290 kilometers North of Durban. The area is in the Biggarsberg Valley in the foothills of the Drakensberg. The Municipality is generally accessed by turning off the N3 highway onto the N11 then proceeding onto the R68 into the Municipal area.



Endumeni municipal area is one of four local authorities forming the uMzinyathi District Municipality. The local municipalities comprising the District are:

- Endumeni (KZ 241)
- Nqutu (KZ 242)
- Msinga (KZ 244)
- uMvoti (KZ 245)

Endumeni has the smallest population but the largest economy of the local authorities in the District, focusing as it does on the main urban areas of Dundee and Glencoe.

For detailed locality maps of the area and a list of the farms of which the area is comprised, reference should be made to the above-mentioned document.

Demographic/Social Issues

The Endumeni Municipality (KZ 241) comprises the towns of Dundee, Glencoe and Wasbank, together with a number of farms astride MR 33, MR 68 and DR 602. It should be noted that no Ingonyama Trust land is located within the Municipal Area.

The population of the Local Authority area, as determined in the 2011 census, was 64682 people, of which 54449 were of African origin. The gender split was relatively evenly balanced at 33225 for females to 31637 for males. The majority of the population (40206) was under the age of 29 years old, with 20543 being of school going age at between 5-19 years of age. Despite the large percentage of very young people, the population pyramid does not indicate the normal situation of a large base with most people being in the youngest age groups (under 4 years). In this instance, there are more people in the age group between 15 and 19 years, than 0 to 4 years. It is apparent that the higher infant mortality rate can be directly related to the HIV/AIDS pandemic.

15% of the population of Endumeni has no education. This comprises mainly those over the age of 50 years. A relatively high percentage (14%) of the population of the Municipal area has a senior certificate, tertiary or other higher education. This augurs well for the future economic development of the area. There is nonetheless a shortage of schools to serve the education needs of the area's population.

Per capita income is generally low, with 54% having no income, and 25, 55% earning less than R18 000 per annum.

Over 75% of the population of Endumeni lives in formal urban housing, whilst another 10% of the community lives in informal housing in Endumeni. Thirteen Percent of the population lives on rural farms in the area. Present estimates are that an additional 1750 sites are required.

Economic Matters

The key economic sectors in terms of the 2007 Census (l2011 Census has not released these figures yet) data within Endumeni included:

➤ Social Services		22,16%
➤ Trade	-	13,64%
➤ Private household/domestic workers		13,49%
➤ Farming	-	9,57%
➤ Manufacturing	-	7,39%
➤ Business Services	-	4,93%
➤ Construction	-	4,5%
➤ Transport	-	4,48%
➤ Mining	-	1,47% and
➤ Utilities		1,03%

This highlights the dominance of the service centre nature of the local economy, with the social services and trade sectors comprising 35% of the

economy. It also highlights that Endumeni has a relatively well diversified local economy.

Tourism in particular, contributes significantly to the economy of Endumeni. This is dominated by cultural tourism, bearing in mind that Dundee is centrally situated to a number of Anglo-Zulu and Anglo-Boer war battlefields. The local Museum, Talana Museum, is one of the foremost museums in the country. Dundee forms a pivotal part of the northern KwaZulu-Natal tourism route, as well as itself being a tourist destination.

It is also abundantly clear that the dominance of the mining and agricultural sectors of the early days is long gone.

This provides an overview of the context within which the review of this IDP is founded.

A2 HOW WAS THIS PLAN DEVELOPED

The 2012/2013 cycle for the development of the 2013/14 IDP was managed by the IDP manager who is supported by the District Municipality's Development Planning shared services. There is general recognition that the process was well managed and there are effective structures in place. Ultimate responsibility, however, still rests with the Municipal Manager.

The IDP institutional make up consist of the Municipal Manager (IDP Manager); IDP Representative Forum; IDP Steering Committee; Endumeni council and IDP/LED Technical Planning Session (sector involvement). These committees are responsible for ensuring public participation; transparency; alignments; compliance and credibility of the IDP.

During the 2011/2012 IDP process there was consensus that the strategies in the IDP document do address priority issues that are reviewed each year and revised through an inclusive and participatory process. This also serves to ensure that the document addresses both the rural and urban issues although the rural and urban development requirements often differ considerably. An emphasis was placed on integration in phase three and four of this IDP process in order to ensure further improvement on the April 2013 preliminary assessment process.

A key form of promoting community involvement is through the Ward structures. Ward Committees are in place, and meetings generally take place as per an approved IDP/Budget/Community involvement Process Plan. These committees were utilised during the IDP process, although their function is not to deal exclusively with IDP related matters. The following ward committee meetings occurred and they were specifically focused on IDP/BUDGET/PMS AND COMMUNITY related matters:

STEERING COMMITTEE	
11 October 2012	Council chamber
STRATEGIC PLANNING SESSION	
28 February 2013 to 01 March 2013	Battlefields Country Lodge
REPRESENTATIVE FORUM MEETING	ACTUAL DATE
1 st Rep Forum	18 October 2012
2013/14 IDP Budget and Public Engagement Meeting	16 April 2013
2 nd Rep Forum	14 May 2013
Community Based Planning	
21 - 25 January 2013	Ward 4 - Pilot workshop
18 - 22 February 2013	Ward 1 - 3 & 5 - 6

TABLE 1: IDP Dates

A3 KEY CHALLENGES

Issues were identified throughout the IDP processes and were confirmed by management, councillors and the community as applicable, namely found in the six different KPA's of the IDP. Conclusive SWOT analyses were also taken of the individual KPA's:

TABLE 2: Key Challenges

KPA	Key Challenge	Description
Basic Service Delivery	Roads ; Housing; Electricity; Water & Sanitation	The backlog on key services remains a challenge
Local Economic Development	Agriculture; Skills; Job creation	The municipality still in the process of appointing the LED Manager to drive economic agenda of council.
Good Governance and Public participation	Community Facilities; Crime; Poverty; Clinics	The lack of proper facilities has undermined the capability of community structures to meet regularly and engage vigorously. In enhancing good governance the ward communities are in lace but not yet effective as expected.
Municipal Institutional development and transformation	Municipal structure to relate to six priority KPAs	To expand and fund the municipal structure that will be responsive to the current challenges and enable council to discharge its functions effectively.

Municipal Viability management	financial and	Debt collection	The low rate of debt collection hinders the delivery of other services within the municipal competency.
Spatial Planning and Environmental Management		Review the town planning scheme	Urgent need persist to exist to update the old town planning scheme

A4 LONG TERM VISION

To revive and revitalise prominent and dominant economic sectors through the district industrial development programmes thereby create a conducive and sustainable environment for both economic and social empowerment of local residents.

A5 IMPROVEMENTS

Basic to the strategic actions aiming at improving delivery are the key performance areas that underpin “a credible IDP”. In this context, preliminary assessment process, each national KPA is briefly addressed in turn in this executive summary as called for in the March IDP review process.

The municipality then went a step further by highlighting the “matters” raised by the MEC of Cooperative Government and Traditional Affairs (COGTA) by then identify “action to be taken” as follows.

KPA	CHALLENGE	ACTION TO BE TAKEN	RESPONSIBILITY
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	- The post of Municipal Manager, IDP Manager, LED Manager, Internal Auditor, Performance Manager and other positions are vacant - No mentioning of Inter-Governmental Relations	- HR has started filling in these critical post, this includes that of the Municipal Manager and Compliance Manager. - IDP Manager omitted to fill in the policy	- Corporate Services - IDP Manager
LOCAL ECONOMIC DEVELOPMENT (LED)	- Suggestion that the municipality should provide a summary of achievements during the IDP review as a monitoring measure. - Encouraged to demonstrate how it will capitalize on its strengths and opportunities, as well as explaining how you	- To create a matrix on reporting and monitoring progress of LED programmes/projects. - The team is planning to put an Action Plan and a monitoring & evaluation plan in place.	- MM's office - MM's office

	intend to address your weaknesses as reflected on page 63.		
SERVICE DELIVERY AND INFRASTRUCTURE	Recommendation to report on progress and achievements in your IDP Review of the projects listed.	To report on progress and achievements of projects.	Technical Services
FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT	- Important for municipality to update action plan by reflecting on achievements in IDP Review. - Nothing mentioned on the Auditor General (AG) report / comments.	- To report on progress and achievements of the action plan. - To report on improvements suggested by the AG's report	- Financial services - Financial services
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	It is not clear in the IDP whether engagements with the community included special groups (e.g. people with disabilities, HIV/AIDS victims, etc.) and if their needs and priorities were incorporated into the IDP. Therefore urged to demonstrate programs / plans concerning special groups, such as the physically challenged, youth and women in your IDP Review.	To report on special groups and attach programmes and projects.	Corporate Services
SPATIAL DEVELOPMENT FRAMEWORK (SDF)	Waiting for a comprehensive assessment from COGTA	Awaiting for comments	Technical services

Endumeni Performance Management System

Endumeni Local Municipality has finalised and reviewed its Organisational Performance System as required in terms of Chapter 6 of the Municipal Systems Act, 32/2000. The documents which have been developed as part of the

process are as follows and consideration is currently being given to the conversion to an electronic system:

- Organisational and Departmental Score Cards
- PMS policy
- PMS Framework
- Individual Performance plans
- Individual Performance Agreements

The Organisational and Departmental scorecards contain strategies in line with SALGA guidelines and are further compliant with the Provincial Growth and Development Strategy.

It has been recommended that the Performance Plans that have been developed for Section 57 Managers be made applicable to all employees. However, to date Endumeni Municipality Performance Management System has been refined to include a system of individual staff appraisals as contemplated per section 67 of the Municipal Systems Act.

A6 FIVE YEAR ACTION PLAN

Basic to five year action programme are the projects which have been reviewed and are shown in **Section E**. The process of reviewing, revising and updating the 2013/14 IDP Projects Table was co-ordinated internally by the IDP Manager. A series of meetings were convened both individually and collectively with the various line-function Departments within the Municipality, as well as with the key Sector Departments, and ward committees in order to identify projects that accord with the Municipality's Vision. This resulted in the compilation of a comprehensive schedule of proposed projects as shown in **Section F**. The outputs from the Ward Committee meetings also inform the review of and prioritisation of projects and are included in this IDP.

A7 MEASURING & MONITORING PROGRESS

The Service Delivery Budget Implementation Plan was revised by the IDP manager. The Performance Management System is being reviewed and the SDBIP and PMS Service as the tools used to monitor and evaluate delivery progress. The IDP is linked to the budgeting process and projects are appropriately categorised into the capital and operational budget process as is required of a "credible IDP".

B - PLANNING AND DEVELOPMENT PRINCIPLES

1. INTRODUCTION AND BACKGROUND

1.1 INTRODUCTION

Integrated Development Planning is a **process** through which municipalities prepare a strategic development plan, for a five year period. The Integrated Development Plan (IDP) is a **product** of the integrated development planning process. The IDP is a principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making in a municipality. All municipalities (i.e. Metros, District Municipalities and Local Municipalities) have to undertake an integrated development planning process to produce integrated development plans (IDPs), as the IDP is a legislative requirement and its legal status supersedes all other plans that guide development at local government level.

Integrated development planning is a very interactive and participatory process which requires involvement of a number of stakeholders. Because of its participatory nature it takes a municipality approximately 6 - 9 months to complete an IDP and this timing is closely related to the municipal budgeting cycle. However, during this period delivery and development is not at a standstill, it continues.

2. LEGISLATIVE FRAMEWORK

2.1 MUNICIPAL SYSTEMS ACT (NO 32 OF 2000)

According to Chapter 5, Section 32 of the Municipal Systems Act of 2000, all municipalities (i.e. Metros, District Municipalities and Local Municipalities) are required to undertake an integrated development planning process to produce integrated development plans (IDPs). A credible IDP is a single, inclusive strategic plan for the municipality. that:

- is based on up to date and accurate statistics and empirical data that can inform strategic decision making;
- integrates, co-ordinates and facilitates service delivery, local economic development and wise land use management within the municipal area of jurisdiction;
- forms the general basis on which annual budgets are developed;

- aligns the resources and capacity of the municipality with the implementation of the plan;
- assists a municipality in fulfilling its constitutional mandate as developmental local government; and
- facilitates the processes of democratisation and sustainability through vigorous public participation.

Chapter 5, Section 34 of the Municipal Systems Act (No 32 of 2000), requires municipalities to review their IDP's on annual basis to address amongst others but not limited to:

- **Comments from the MEC** for Co-operative Governance need to be considered as part of the IDP preparation process;
- Consider new **Council priorities**;
- **New policies** (e.g National Development Plan, Provincial Growth and Development Strategy, Growth Path);

2.2 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, ACT 108 OF 1996

The Constitution requires municipalities to undertake developmental orientated planning to ensure that it:

- Strives to achieve the objectives of local government as indicated in Section 152;
- Gives effect to its developmental duties as required by Section 153;
- Together with other organs of state it contributes to the progressive realization of fundamental rights contained in Section 24, 25, 26, 27 and 29.

2.3 MUNICIPAL STRUCTURES ACT (NO 117 OF 1998)

The Municipal Structures Act No 117 of 1998 makes provision for the powers and functions between the districts and local municipalities. It mandates district wide functions to the district municipalities and critical day to day functions to the local municipalities.

2.4 MUNICIPAL FINANCE MANAGEMENT ACT (NO 56 OF 2003)

The annual Budget and the IDP have to be linked to one another and that has been formalised through the promulgation of the Municipal Finance Management Act (2004). Chapter 4 and Section 21 (1) of the Municipal Finance Management Act indicates that:

At least 10 months before the start of the budget year, table in the municipal Council a time schedule outlining key deadlines for:

- a) The preparation, tabling and approval of the annual Budget;
- b) The annual review of:
 - a. The integrated development plan in terms of Section 34 of the Municipal Systems Act, and
 - b. The Budget related policies
- c) The tabling and adoption of any amendments to the integrated development plan and budget related policies, and
- d) The consultative processes forming part of the processes referred to in subparagraphs (a), (b) and (c).

2.5 DISASTER MANAGEMENT ACT (NO 53 OF 2002)

The Disaster Management Act No 53 of 2002, Section 25 requires:

- (1) Each municipality must, within the applicable municipal disaster management framework-
 - (a) prepare a disaster management plan for its area according to the circumstances prevailing in the area;
 - (b) co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players;
 - (c) regularly review and update its plan: and
 - (d) through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), consult the local community on the preparation or amendment of its plan.
- (2) A disaster management plan for a municipal area must-
 - (a) form an integral part of the municipality's integrated development plan;
 - (b) anticipate the types of disaster that are likely to occur in the municipal area and their possible effects;

- (c) place emphasis on measures that reduce the vulnerability of disaster-prone areas,
 - (d) seek to develop a system of incentives that will promote disaster management in the municipality;
 - (e) identify the areas, communities or households at risk;
 - (f) take into account indigenous knowledge relating to disaster management;
 - (g) promote disaster management research;
 - (h) identify and address weaknesses in capacity to deal with possible disasters;
 - (i) provide for appropriate prevention and mitigation strategies;
 - (j) contain contingency plans and emergency procedures in the event of a disaster,
- (3) A district municipality and the local municipalities within the area of the district municipality must prepare their disaster management plans after consulting each other.
- (4) A municipality must submit a copy of its disaster management plan, and of any amendment to the plan, to the National Centre, the disaster management centre of the relevant province, and, if it is a district municipality or a local municipality, to every municipal disaster management centre within the area of the district municipality concerned.

2.6 Local Government: Municipal Planning and Performance Management Regulations, 2001

In 2001, the Municipal Planning and Performance Management Regulations were issued to further provide guidelines and clarity on the issues of IDP and PMS. The Municipal Planning and Performance Management Regulations provide details on the requirements of the IDP and Performance Management System.

3. ALIGNMENT WITH PROVINCIAL AND NATIONAL POLICIES

3.1 MILLENNIUM DEVELOPMENT GOALS

“The concept of a developmental state - which applies both to the country and the province - is rooted in the Millennium Development Goals (MDGs) adopted by the United Nations. Indeed both the national and provincial government’s development strategies and interventions should be viewed in the context of, and measured against, these international development goals which apply to all countries across the globe.

The MDGs which need to be achieved by 2015 are:

1. Eradication of extreme poverty and hunger
 - Halve the proportion of people with less than R6.00 per day
 - Reduce by half the proportion of people who suffer from hunger
2. Achievement of universal primary education
 - Ensure that all boys and girls complete a full course of primary schooling
3. Promotion of gender equality and empowerment of women
 - Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4. Reduction in child mortality
 - Reduce by two thirds the mortality rate among children under five
5. Improvement of maternal health
 - Reduce by three quarters the maternal mortality ratio
6. Combating HIV/AIDS, malaria and other diseases
 - Halt and begin to reverse the spread of HIV/AIDS
 - Halt and begin to reverse the incidence of malaria and other major diseases
7. Ensuring environmental sustainability
 - Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
 - Reduce by half the proportion of people without sustainable access to safe drinking water
 - Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020
8. Developing a global partnership for development
 - Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good

governance, development and poverty reduction— Nationally and Internationally

- In cooperation with the developing countries, develop decent and productive work for youth
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- In cooperation with the private sector, make available the benefits of new technologies especially information and communication technologies”

3.2 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE (NSDP)

The National Spatial Development Perspective (NSDP) guides government in implementing its programmes in order to achieve the objectives of ASGISA of halving poverty and unemployment by 2014. The NSDP is built on four basic principles. These are:

- Principle 1: Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of poverty alleviation.
- Principle 2: Government spending on fixed investment should be focused on localities of economic growth and / or economic potential in order to gear up private sector investment, stimulate sustainable economic activities and create long-term employment opportunities.
- Principle 3: Where low economic potential exists investments should be directed at projects and programmes to address poverty and the provision of basic services in order to address past and current social inequalities.
- Principle 4: In order to overcome the spatial distortions of Apartheid, future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres in order for them to become regional gateways to the global economy.

3.3 NATIONAL DEVELOPMENT PLAN

The National Development Plan has been prepared by the National Planning Commission, which was appointed by the President and it is not a government

department. The purpose of the National Planning Commission serves to advise government on issues impacting long term development. The National Development Plan has a vision and targets to be achieved from now till 2030.

The National Development Plan is a step in the process of charting new path for the country. By 2030, the plan seeks to eliminate poverty and reduce in quality and create employment and it serves to change the life chances of millions of the people. The National Development Plan mainly seeks to address the following main challenges:

- Too few people work;
- The standard of education for most black learners is of poor quality;
- Infrastructure is of poor quality and under maintained;
- South Africa remains a divided society;
- Corruption is wide spread; and
- Public services are uneven and often of poor quality.

The 2030 targets which are aimed to be achieved by the National Development Plan are as follows:

- **Economy and employment**
 - Reducing unemployment rate by 20% in 2011 to 14% by 2020, and 6% by 2030; creation of 11 million jobs by 2030;
- **Economic Infrastructure**
 - People with access to electricity should rise from 70% in 2010, to 95% by 2030;
- **Transition to a low carbon economy**
 - Reducing of green gas emissions by 2025;
- **Inclusive rural economy**
 - An additional of 643 000 direct jobs and 326 000 indirect jobs in agriculture, agro - processing and related sectors by 2030;
- **Education, training and innovation**
 - 80% of the schools and learners to achieve 50% and above in literacy, mathematics and science in grades 3, 6 and 9.
 - Improve education and training graduation rate to 75% by 2030;
- **Health care for all**

- Under 20 age group should largely be an HIV free generation
- **Social protection**
 - Number of public works jobs should rise from the present level to about 1 million in 2015, and then to about 2 million by 2030;
- **Building safer communities**
 - In 2030; people living in South Africa feel safe and have no fear of crime;
- **Fighting corruption and enhancing accountability**
 - a corruption free society and high adherence to ethics and government accountable to its people
- **Transforming society and uniting the country**
 - Living society where opportunities are not being determined by race and birthright, seek a united, prosperous and non - racial society

3.4 PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY

The province of KwaZulu - Natal has managed to develop the Provincial Growth and Development Strategy which was adopted by Cabinet on the 31 August 2011, and has a vision to be achieved by 2030. The Provincial Growth and Development Strategy provides a strategic framework for development in the Province; it has seven strategic goals and 30 strategic objectives, and also key specific targets linked to each strategic goal which have to be achieved by 2030. The main aim of the Provincial Growth and Development Strategy is Growing the Economy for the improvement of the quality of life for all people living in the province of KwaZulu Natal.

PGDS is crucial to:

- Focus on a clear vision for the province;
- promote vertical, horizontal and spatial alignment;
- mobilise all development partners to achieve predetermined development objectives and targets; and
- build on the strengths and opportunities of the Province, while addressing weaknesses and threats.

Alignment of the Provincial Growth and Development Strategy to the municipal sectors is as follows:

①	JOB CREATION	✓	Agriculture, Mining, Manufacturing, Tourism & EPWP Programmes
②	HUMAN RESOURCE DEVELOPMENT	✓	Primary and Secondary Education, Skills Development to support economy
③	HUMAN & COMMUNITY DEVELOPMENT	✓	Poverty, Health, Food Security & Human Settlement
④	STRATEGIC INFRASTRUCTURE	✓	Road & Rail, Water, Sanitation, Energy , ICT, Health, Education & Human Settlement
⑤	ENVIRONMENTAL SUSTAINABILITY	✓	Productive Use of Land, Renewable Energy, Biodiversity & Climate Change
⑥	GOVERNANCE AND POLICY	✓	Public / Private Sector relations, Capacity Constraints, Fraud & Corruption
⑦	SPATIAL EQUITY	✓	Rural Development Imperatives & Land Use Planning Controls, New emerging towns

Table No 5: Alignment of the Provincial Growth and Development Strategy to the municipal sectors

Alignment to the Strategic Objectives of the Provincial Growth and Development Strategy to the municipal strategic objectives:

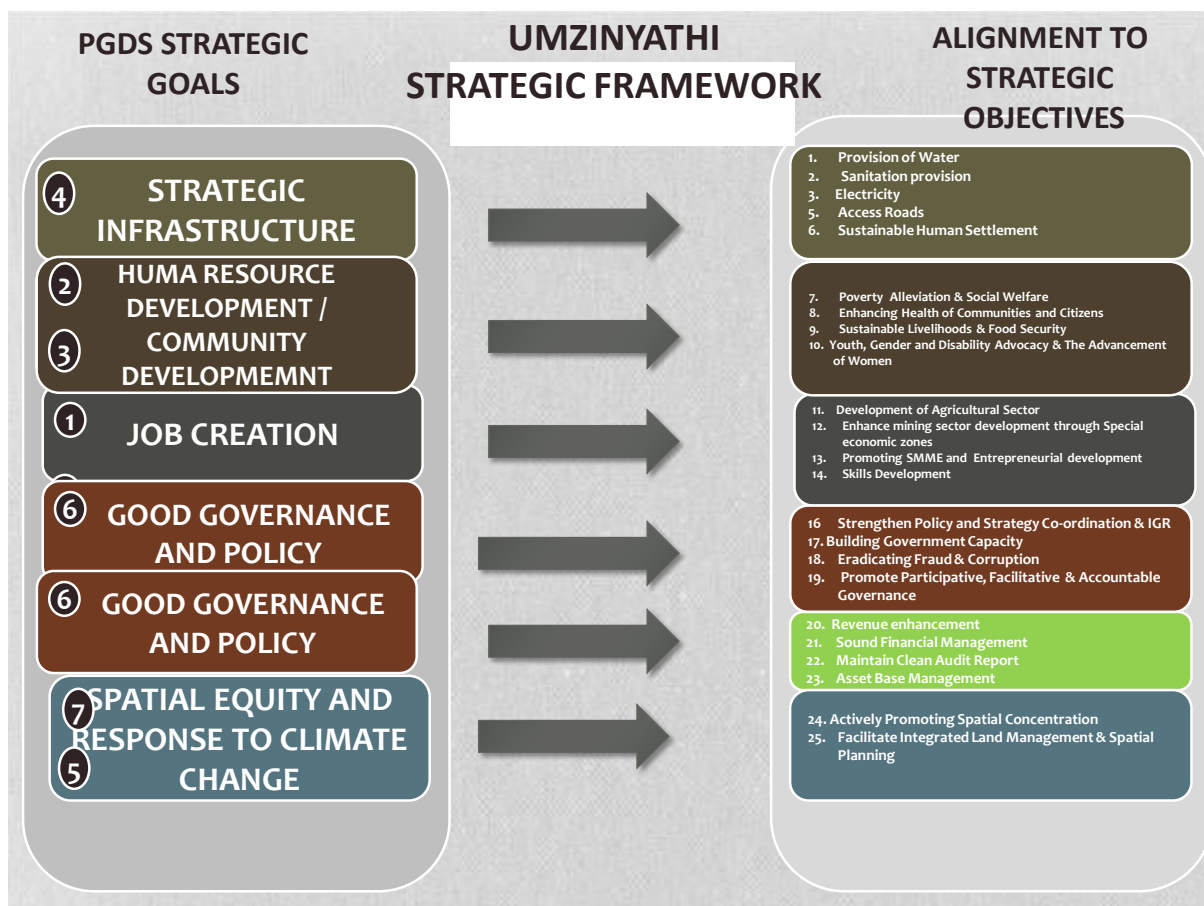


Table No 6: Alignment to the Strategic Objectives of the Provincial Growth and Development Strategy to the municipal strategic objectives

(PGDS) Provincial Growth Development Strategies			
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	JOB CREATION	1. Unleashing the Agricultural Sector 2. Enhance Industrial Development through Trade, Investment & Exports 3. Expansion of Government-led job creation programmes 4. Promoting SMME, Entrepreneurial and Youth Development 5. Enhance the Knowledge Economy	1. Municipality to avail its agricultural commonage to emerging farmers 2. Parks and Gardens Unit is EPWP compliant in creating jobs for the SMME's. 3. Sthembile Township Media Centre in conjunction with DUT in transferring knowledge through an ICT program.
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	HUMAN RESOURCE DEVELOPMENT	6. Early Childhood Development, Primary and Secondary Education 7. Skills alignment to Economic Growth 8. Youth Skills Development & Life-Long Learning	1. Municipality has released land and signed the MOA for the development of a regional FET to be established in the main town of Dundee.
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	HUMAN & COMMUNITY DEVELOPMENT	9. Poverty Alleviation & Social Welfare 10. Enhancing Health of Communities and Citizens 11. Sustainable Livelihoods & Food Security 12. Sustainable Human Settlements	2. Funding economical projects that are identified through Operation Sukuma Sakhe, especially those that are food security orientated like the Ngcedo Garden on Tandy Street. 3. Endumeni Housing Sector Plan

		13. Safety & Security 14. Social Cohesion 15. Youth, Gender and Disability Advocacy & The Advancement of Women	4. Endumeni Safety & Security Plan
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	STRATEGIC INFRASTRUCTURE	16. Development of Ports and Harbours 17. Development of Road & Rail Networks 18. Development of ICT Infrastructure 19. Improve Water Resource Management 20. Develop Energy Production Capacity	1. Rehabilitation of provincial roads/taxi rank in Dundee CBD at the amount of 50million. 2. Council has approved an application for a Biogas station linked to the agricultural feedlot industry. 3. Rural solar lighting project in conjunction with DMEA.
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	RESPONSE TO CLIMATE CHANGE	21. Increase Productive Use of Land 22. Advance Alternative Energy Generation 23. Manage pressures on Biodiversity 24. Disaster Management	1. Council has approved an application for a Biogas station linked to the agricultural feedlot industry. 2. Rollout of solar geysers for socio-economic housing in conjunction with DMEA and DHS
No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	GOVERNANCE AND POLICY	25. Strengthen Policy and Strategy Co-ordination & IGR 26. Building Government Capacity 27. Eradicating Fraud & Corruption 28. Promote Participative, Facilitative & Accountable Governance	1. Endumeni Fraud and corruption strategy 2. District Coordinating Forum that coordinates intergovernmental relations. 3. Endumeni Municipal Public Accounts Committee 4. Ward committee training for the new term of office

No.	Strategic Goals	PROVINCIAL STRATEGIES	MUNICIPAL STRATEGIES
	SPATIAL EQUITY	29. Actively Promoting Spatial Concentration 30. Facilitate Integrated Land Management & Spatial Planning	1. Endumeni Spatial Development Framework and Housing Sector Plan 2. Draft “Wall to Wall” Town Planning Scheme

ALIGNMENT OF THE MUNICIPAL TURNAROUND STRATEGY WITH THE OUTCOME 9

The National Government agreed to 12 outcomes as a key focus of work between now and 2014. Each of the 12 outcomes requires involvement of all spheres of government and other stakeholders outside government. The applicable outcome for local government is outcome 9 which has seven outputs, and local government has to deliver on these seven outputs by 2014, and they are as follows:

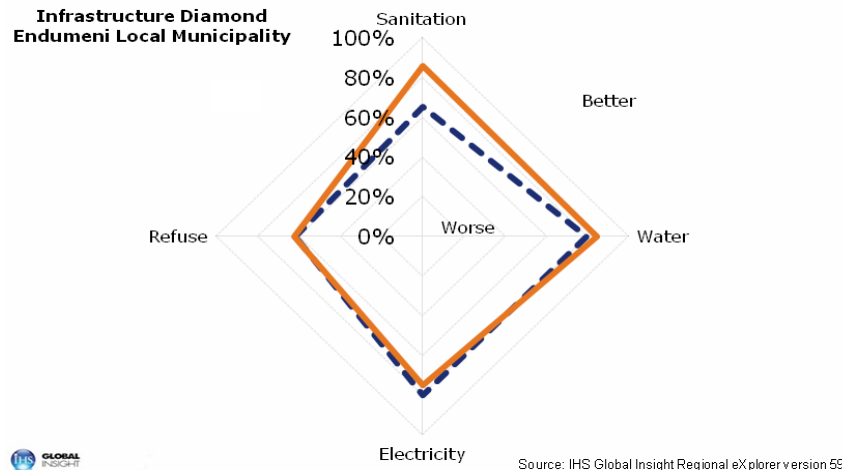
Output 1: Implement a differentiated approach to municipal financing, planning and support

- The 2012/13 -2016/17 IDP is structured according to the KZN Framework Guide in order to be a credible IDP
- The Development Planning Shared Service (DPSS) in the District in full use and has a Town Planner and GIS Technician working 3days of the week in our municipality.
- The municipality’s OPMS is the best practice in the district.

Output 2: Improving access to basic services.

- Endumeni is doing a good job on service delivery in terms of infrastructure regardless of not having the “powers & functions” over water and sanitation. Concern in backlogs is in the sanitation area and this is mainly from the rural areas of the municipality.

**Infrastructure Diamond
Endumeni Local Municipality**



Output 3: Implementation of the Community Work Programme

- Roads / Parks and Gardens Unit are EPWP compliant in creating jobs for the SMME's.

Output 4: Actions supportive of the human settlement outcome

- Endumeni has released former buffer trip land in order to integrate the former townships to the existing former white areas that form the town. This then encourages densification and accessibility to amenities.

Output 5: Deepen democracy through a refined Ward Committee model

- Ward framework, policy as per resolution number CO2/17/05/11 and systems in place. Training budget of R150 000 approved and currently being implemented.

Output 6: Administrative and financial capability

- The municipality has a successful rate of revenue collection of 84%
- And the municipality also has an unqualified report.

Output 7: Single window of coordination

- All legislation that affects the Endumeni municipal is implemented upon promulgation and any policy or procedure that is affected by such promulgation is subsequently updated to meet the requirements of such legislation.

3.5 TURNAROUND STRATEGY

The municipality has a turnaround strategy in place which comprises of ten priorities, and quarterly reports on the implementation of the ten priorities are being submitted to COGTA through Municipal Support Infrastructure Agency. The turnaround strategy and outcome 9 are both aimed at improving the living quality of life for the communities. Therefore, the municipality has aligned the two strategic documents, and the alignment is based on the municipal powers and functions as follows:

3.6 OPERATION CLEAN AUDIT

Government has set a target for the government departments and municipalities to achieve Operation Clean Audit by 2014. Endumeni Local Municipality managed to achieve an Unqualified Audit Opinion with other matters for the 2011/12 financial year, which was before the national target which is 2014. The municipality is also committed and dedicated in achieving the clean audit report for the 2012/13 financial year, to ensure that the pride for the municipality of good governance and financial management is realised once again.

C - SITUATIONAL ANALYSIS



1. SPATIAL ANALYSIS

1.1 REGIONAL CONTEXT

Endumeni is one of four Local Municipalities located within the District Municipality of Umzinyathi within the valleys of the Biggarsberg Mountain Range with the two main towns of Dundee and Glencoe located at the base of the Indumeni Mountain.

Endumeni is located on the northern edge of the Umzinyathi DM and is bordered by the Amajuba District Municipality to the North, the Uthukela District Municipality to the South West, the Msinga Local Municipality to the South and Nquthu Local Municipality to the East. Endumeni constitutes 11% of the Umzinyathi DM.

Endumeni is 1,612km² in extent, 55km wide from north-east to south-west on the R33/R602 and 30km on the R33/R621 south-east to north-west.

In the context of national transportation systems, the Endumeni Municipality finds itself “out on a limb” situated away from the national road network. At a regional level, the municipality is located on an important regional route servicing the agricultural regions of northern KwaZulu-Natal and southern Mpumalanga.

Endumeni dominates the district economy as it serves as the key administrative, educational and economic centre for the entire district. Dundee is the centre from which tourism based on the cultural heritage of the Zulu Kingdom and ‘Battlefields’ is emphasized and managed to some extent. Glencoe serves as a secondary centre to Dundee. Together with Amajuba, the area is branded the ‘custodian’ of the Battlefields region which has international and regional significance.

1.2 Local Context

The Endumeni Municipality is unique in that its population is predominantly urbanised or based on commercial farms and unlike the other local municipalities in the District there is no tribal authority land. Dundee is the main economic heart of Endumeni and the administrative centre of the region and has a diversified economy ranging from retail and trade, tourism, farming and administrative centre.

The municipality is located within a well-developed commercial agricultural region and hence, it functions as an important regional rural service centre serving the surrounding agricultural hinterland. The municipality only comprises of six wards.

1.3 Spatial Structure

The topography, hydrology and resources of the area have influenced and determined, to some extent, the physical structure of Endumeni, the patterns of settlement and of the land use within the area.

The key towns of Dundee and Glencoe are centrally located within the municipal area and a network of roads radiate out from this central core, taking into account also the routes of the railway lines. Outside of this central core, the only other significant settlement node is Wasbank. The remainder of the area is predominantly characterized by commercial farming. A limited number of small concentrations of people are scattered across the north-west sections of the municipal area.

Residential density in the area averages 6-8du/ha in the towns of Dundee and Glencoe, whilst the densities of the satellite townships associated with each Sibongile and Sithembile average densities of 30-35du/ha.

The settlement form of the towns is suburban in nature with a predominant grid-layout street pattern. The highest intensity land use occurs in the CBD. The pattern of settlement is fragmented which impacts on thresholds for commercial development, community facilities and public transport. Dundee is 10km from Glencoe and 16km from Wasbank.

1.4 EXISTING NODES AND CORRIDORS (INCLUDING URBAN EDGES)

1.4.1 Development Corridors

The development corridors within Endumeni have been located with a provincial context and are therefore named accordingly.

Primary Corridor

The primary corridor within the region is the N11 (Ladysmith to Newcastle). Whilst the N11 does not pass through Endumeni it does provide access to the R602 and R68 for access to the area from the west. This is a key industrial and agricultural corridor.

Secondary Corridor

R33 and R621 form the central spine of the secondary provincial priority corridor. The focus of this corridor is agriculture and tourism.

Tertiary Corridors

These comprise the lower order roads within the municipal area, including the R33 from Dundee to Wasbank and the R68 to Nqutu and the R33 to Vryheid. Although they are lower order roads, they play an important role in enhancing accessibility to a number of the rural settlements within the municipal area.

Activity Corridor

Mixed use activity corridors are located within Dundee and Glencoe. These routes offer an opportunity to provide the highest range and intensity of mixed use activities.

1.4.2 Nodes and Corridors

Primary Node - Dundee

An existing multipurpose business, administrative, social service and intermodal transportation terminal centre that services the surrounding urban and rural communities of Endumeni and its neighbouring municipal areas. Dundee is home to the headquarters of the Umzinyathi District Municipality.

Secondary Node - Glencoe

An existing secondary node that serves the greater Glencoe community with a mix of commercial and social services. The role of the node is to provide essential 'day to day' commercial needs and social and commercial services to immediately adjacent communities. The node should be consolidated with Dundee to form an urban core for Endumeni.

Rural Services Node - Wasbank

An existing settlement that serves the southern region of Endumeni, Wasbank should be consolidated and/or enhanced as village centre that provides support to the development of the rural and agricultural hinterlands of Endumeni.

Rural Services Satellite Nodes

Further Rural Service Satellite Nodes are proposed in areas where there is a significant concentration of rural population:

- ♦ De Jagersdrift
- ♦ Malonjeni
- ♦ Vechtkop
- ♦ KwaTelaphi
- ♦ Tayside

These nodes fulfil a similar function to the rural services node but the provision of social facilities can be provided in a non-permanent manner.

Such facilities should include mobile clinic, school, mobile welfare services, mobile banking services, postal services, and a basic sports facility.

1.5 Broad Land Uses

Current land use patterns have evolved in response to the spatial structure of Endumeni, settlement patterns, the natural environment and regional access routes and reflects the predominately rural nature of the region within which Endumeni is located.

Commercial Agriculture

The predominant land use in Endumeni is agriculture. Cultivation is mainly characterized by large areas of commercial dry land activities and dispersed areas of irrigated agriculture. The most productive land occurs around Glencoe, while areas with high to moderately high productivity occur in the north-west. The agricultural activities in the area include the extensive beef/sheep farming, dry land cropping of maize, soya, groundnuts and sunflower. Field crops are irrigated where there is access to irrigation.

Settlements

Urban

Urban settlement is concentrated within the Dundee/Sibongile, Glencoe/Sithembile and Wasbank nodes.

Rural

The balance of settlement is located either on the commercial farms or within a limited number of small rural settlements i.e. KwaTelaphi, Burnside, Malonjeni, Tayside, Vechtkop and Uithoek.

Commercial

The commercial economy Endumeni mimics that of a small-rural based town. Retail activities dominate, as well as those associated regional administrative activities e.g. government departments. Commercial (retail and office) activities are located within the urban core towns of Dundee and Glencoe. Informal trading occurs in the former township areas and within public nodes in Glencoe and Dundee.

Industrial (Manufacturing)

Manufacturing accounts for only 7% of the local economy and production primarily linked to the agricultural sector. Industry is located within the formal industrial areas of Dundee and Glencoe with some activity related to agro-processing on commercial farms in the area,

There are three main agro-processing activities in Endumeni:

- ♦ Orange Grove Dairy
- ♦ Maize production and milling supply
- ♦ Processing of beef products including feedlots and tanneries.

Coal Mines

The north western portions of KZN are important areas for mining coal. Coal mining can be directly linked to the development of Dundee and Glencoe.

The industry is in the process of restructuring and whilst there is a decline in corporate interest, there is interest in small scale regeneration of the coal belt for SMME development.

Tourism

Dundee is the centre from which tourism based on the cultural heritage of the Zulu Kingdom and 'Battlefields' is emphasized and managed to some extent. Glencoe serves as a secondary centre to Dundee. Cultural assets in the area include:

- ♦ Monuments and Museums (e.g. Talana Museum)
- ♦ Maria Ratschitz Mission
- ♦ Battlefield sites (Talana and Lennox Hills)
- ♦ Other Cultural sites i.e. Talana Crafts, Talana Zulu Cultural Villafe, Iron Age smelting sites
- ♦ Rifleman's Road and Red Soldier's March Battlefield Routes

Community Facilities

The distribution of certain key community facilities including schools, clinics and the locations used by mobile clinics are concentrated in the existing nodes of Dundee, Glencoe and Wasbank with a number of lower order facilities scattered with the rural hinterland.

Education

Endumeni is served by both primary and secondary education facilities. The municipality is relatively well serviced in terms of primary schools however there are areas of the municipality, particularly in the north-west where there

are limited primary school facilities. All secondary educational facilities are located within the urban core of Glencoe and Dundee. Small parts of Endumeni do not conform to the 5 km service radius of facilities.

Health

Standards for the provision of Health Facilities are sourced from the KZN Provincial Publication “Guidelines for Planning of Facilities in KwaZulu-Natal”. The KZN Department of Health is in the process of revising their standards.

Optimum walking distances are between 1 to 2.5 km and with a maximum walking distance of 5km. The municipality obviously does not conform to this standard. Facilities are clustered within the urban core of Dundee and Glencoe and facilities are required in the rural and rural satellite nodes, particularly in the north-west of the Municipality. Endumeni is serviced by only one hospital, which is insufficient, notwithstanding the CSIR standards.

Other Facilities

Pension points are sporadically located across the municipality.

1.6 Land Reform

In terms of the Department of Land Affairs land reform programme, both land restitution and land redistribution projects have been implemented within the municipal area. To date, the following land reform projects have been implemented or are in the process of being implemented within Endumeni (table & Figure).

Table: Land Reform Projects

Project Name	Legal Entity Name
Aletta	RSA
Battersea Park	Sisonke Land Trust
Croydon	Senzangakhona CPA
Dalry / Phezukomkhono	Phezukomkhono CPA
De Jagersdrift Cluster	Ethembeni CPA
De Jagersdrift Cluster	Khanyisani CPA
De Jagersdrift Cluster	Masakhane CPA
De Jagersdrift Cluster	Sizanani CPA
De Jagersdrift Cluster	Thokoza CPA
De Jagersdrift Cluster	Vukuzenzele CPA
De Jagersdrift Cluster (spitzkop)	RSA
De Jagersdrift Cluster	Bambanani CPA
De Jagersdrift Cluster	Ekuthuleni CPA
De Jagersdrift Cluster	KwaMthethofanayo CPA
De Jagersdrift Cluster	Mazakhele CPA
De Jagersdrift Cluster	Sibonelo-Khwezi CPA
De Jagersdrift Cluster	Siyaphumula CPA
De Jagersdrift Cluster	Thuthukani CPA
De Jagersdrift Cluster	Zamokuhle CPA
Dumain	Lethukuthula CPA
Dundee Cluster	Entokozweni CPA

Project Name	Legal Entity Name
Dundee Cluster	Khululeka CPA
Dundee Cluster - Gowrie	Senzokhule CPA
Entabeni CC	Emast Farming cc
Fankomo	RSA
Harrowdale	Amalinda Family Trust
Henessey Trading cc	Henessey Trading cc
Klipspruit	Bazangoma CPA
Klipspruit / Bozangoma / Bozagane	Bazangoma CPA
Kuickvlei - Mvelwenhle	Mvelenhle Community Trust
Kuickvlei / Bhekanani	Bhekani CPA
Langverwacht Farm	The Green Farm Land Trust
Ruigtefontein	Ruigtefontein Syndikaat
Thangeni	Ekuthuleni CPA
Thangeni	Tangeni Land Trust
Tijgerkrantz/ De Jagersdrift	RSA
Verdruk (Ntekelezwayo)	Ntekelezwayo CPA
Wasbank Cluster / Thandanani	Thandanani CPA
Wasbank Cluster / Zimisele of Dingleddale	Zimisele Dingleddale CPA
Zimisele / Schuilhoek	Zimisele Community Trust
Zisizeni Sithole Community	Zisizeni Sithole CPA
ZS Sithebe Farming / ZS Sithebe Family (LB)	Matshosi Farming CC
ZZ Farming / Land Bank Project	Mageba Farming cc

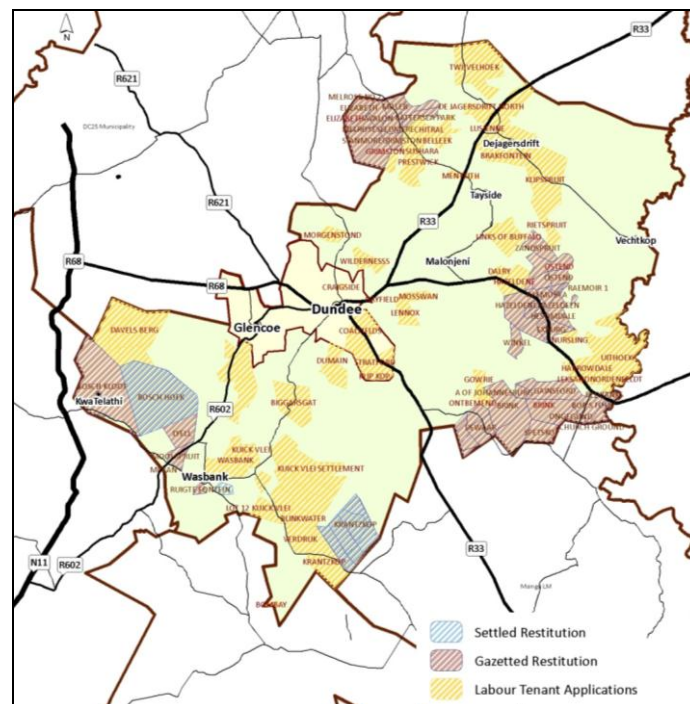


Figure : Land Reform Projects

Table above is being expanded on a regular basis by the Department. In addition, the Department has provided the Local Authority with a schedule of properties that have been offered to the Department for purchase. The Local Authority is liaising with the Department in order to advise on which properties, if any would best serve the longer-term spatial and socio-economic development objectives of the Council.

1.7 Land Capacity

Based on a broad ‘agri-potentials’ or ‘bio-resource’ classification by the Department of Agriculture, all agricultural land within the municipal area has been categorized as having either good or poor agricultural potential. The system provides for 8 land capability ranging from prime arable land (Class I) to land which is unsuitable for any agricultural use (Class VIII).

The resulting land resource units can then be related to the appropriate agricultural land uses and levels of intensity as follows in the table below and Figurefigure.

Table: Agricultural Land Capability Classes

Land Capability Class	Land Resource Category	Recommended Land Use
I & II Under irrigation	High potential irrigable land	Intensive irrigated cropping
I & II Without irrigation	High potential arable land suitable for intensive dryland cropping	Intensive dryland cropping
III	Arable land with moderate potential for dryland cropping	Semi-intensive dryland cropping
IV	Arable land of limited potential for dryland cropping	Limited cropping, preferably only to perennials.
V	Wetlands and watercourses	Soil and water conservation with only limited grazing.
VI	Good non-arable land with scope for intensification but not annual cropping.	Suitable for pastures or, in high rainfall areas, forestry.
VII	Rough non-arable land suitable only for extensive use.	Suitable only for carefully managed extensive grazing.

This classification is important in that, in the future evaluation of any possible development projects, one key consideration must always be the implications of the loss of valuable productive agricultural land. Consequently, any proposed development within an area categorized as having good to high agricultural potential should be subjected to further investigation into the implications of its possible loss.

Conversely, in the areas of poor agricultural potential, there is a need to ensure the promotion of sound agricultural practices so as to avoid degradation of the fragile soils in these areas. Programmes for the rehabilitation of eroded areas should also be implemented, possibly under a public works programme.

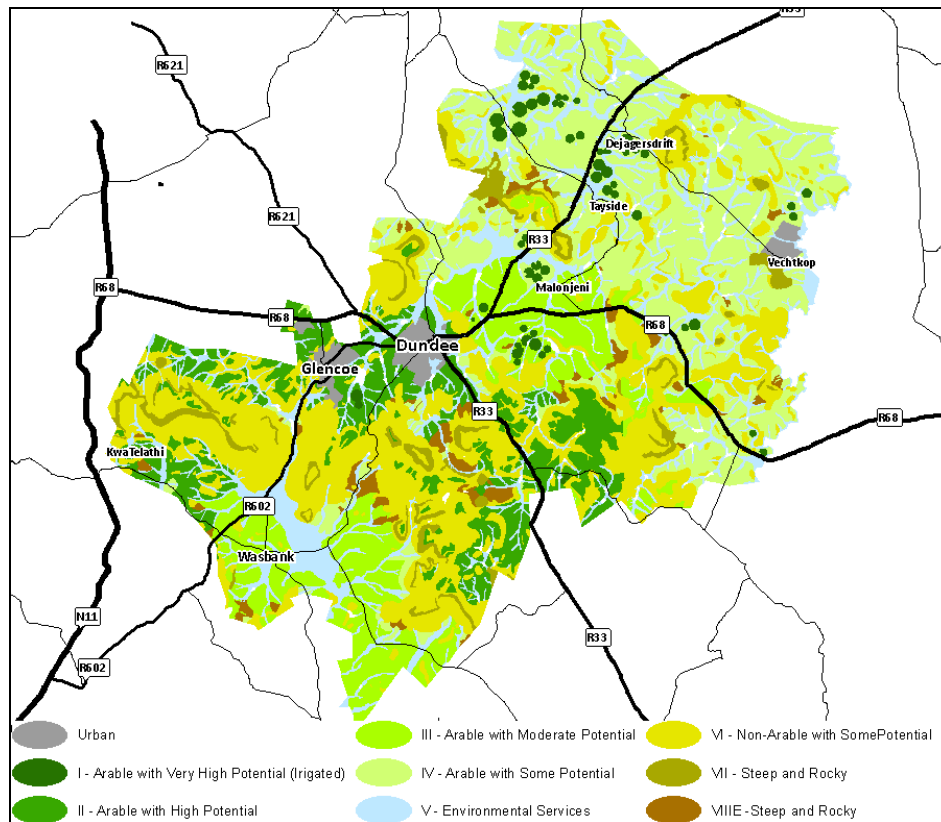
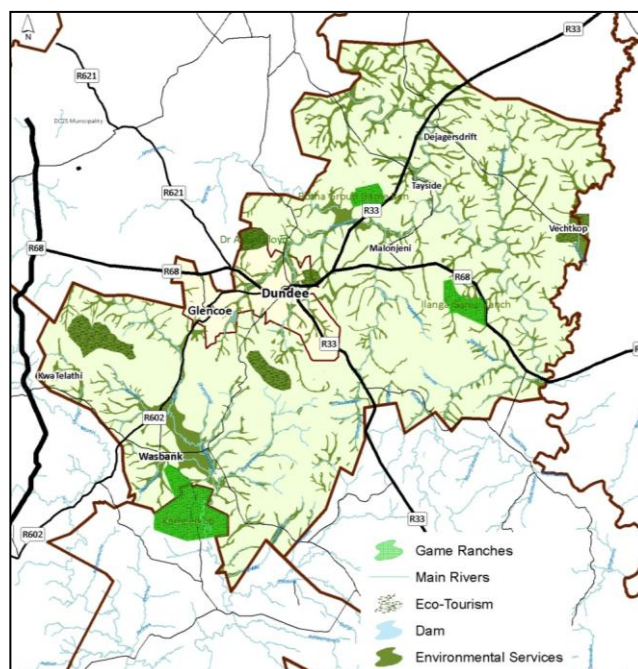


Figure: Agricultural Land Capability Classes

1.8 ENVIRONMENTAL ANALYSIS

1.8.1 Key Hydrological Feature

The environmental service areas of Endumeni are ill defined and as a result highly pressurised and fragile. The area contains two primary river systems, the Buffels and Blood Rivers, as well as a number of secondary river systems of the Sterkstroom, Mzinyashana, Wasbank, Nsuze and Sandspruit Rivers. Further sensitive areas have been identified and include the Aden Lloyd Nature Reserve and a number of existing eco-tourism areas including sites of historical or cultural significance such as battlefields, as well as private game.



1.8.2 Biodiversity

Endumeni is among a number of municipalities that have had large areas of vegetation transformed because of one kind of land use or another. As is evident from figure below areas in the south/west of Endumeni in the vicinity of Glencoe and Dundee have experienced wide spread land transformation. A number of areas within Endumeni have been flagged for potential biodiversity conservation. No areas within Endumeni are considered irreplaceable from a biodiversity perspective.

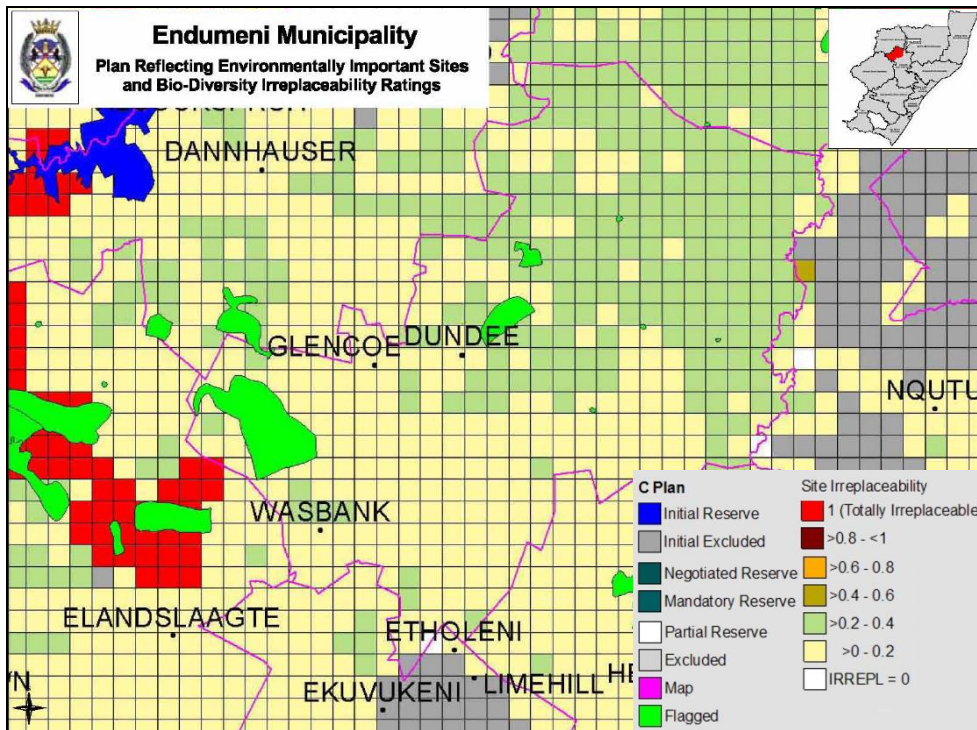


Figure: Environmentally Important Sites and BioDiversity Irreplaceability Rating

1.9 Disaster Management

Introduction

Historically the Civil Protection Act Of 1977 (Act No. 67 of 1977) assigned the responsibility to provide emergency response to incidents which were of such a magnitude to be able to be classified as a disaster, to local municipalities. The main focus of the Civil Protection Act was on response.

After the 1994 general elections, the need to rectify this imbalance in the delivery of emergency services led to the start of the process to develop new legislation which would provide for a new, uniformed, approach to emergency service delivery for the whole of South Africa and eventually resulted in the promulgation of the Disaster Management Act of 2002 (Act No. 57 of 2002).

The intention of the new Disaster Management Act is to create an environment wherein the line function disaster management activities of all National, Provincial and Municipal organs of state are coordinated in a manner which is consistent with and in line with the National policy framework and is in the context of the Act, with special emphasis on mitigation, development, risk reduction, prevention and preparedness.

1.9.1 From a Municipal perspective

In terms of Section 42 of the Disaster Management Act, **each Metropolitan and each District Municipality MUST** establish and implement a policy framework for disaster risk management in the municipality aimed at ensuring an integrated and uniformed approach to disaster risk management in its area.

It is also clear, from this Section, that **Local (Category “B”) municipalities are not** required to develop or establish policy frameworks at their level of governance, however, **this section DOES prescribe the consultation and participation of Local municipalities** in the development and establishment of **District Disaster Risk Management Policy Frameworks**.

Irrespective of the fact that the Act **does not prescribe** the development of a policy framework for disaster risk management **at Local municipal level**, the Act, at the same time, **does not prohibit** a Local Municipality from developing and implementing its own policy framework for disaster risk management.

Endumeni Local Municipality faces increasing levels of disaster risk. It is exposed to a wide range of natural hazards, including severe storms that can trigger widespread hardship and devastation. The Municipality’s extensive agriculture industry, coupled to the major transportation routes, inside the municipality as well as those leading to other major centers, present numerous catastrophic and hazardous materials threats. In addition to these natural and human-induced threats and despite ongoing progress to extend essential services to poor urban and rural communities, large numbers of people live in conditions of chronic disaster vulnerability - in underdeveloped, ecologically fragile or marginal areas - where they face recurrent natural and other threats that range from flooding to informal settlement fires.

The Endumeni disaster management Policy Framework is the legal instrument specified by the Act to address such needs for consistency across multiple interest

groups, by providing a coherent, transparent and inclusive policy on disaster management appropriate for the Municipality of Endumeni as a whole.

1.9.2 Risk Assessment

In terms of disaster risk reduction principles, the local sphere of government is the first line of response and responsibility in the event of a disaster occurring or threatening to occur. In terms of the Disaster Management Act of 2002, the Local Municipality is responsible for the co-ordination and management of the disaster incident until such time that the responsibility escalates to a higher level of Governance.

Thorough disaster risk management planning and effective co-ordination of all line function response agencies is, therefore, key to saving lives and limiting damage to property, infrastructure and the environment. They (disaster risk management plans) also facilitate the optimal utilization of resources.

The Endumeni Disaster Management Advisory Forum is the most effective platform from which disaster risk reduction and operational plans can be developed.

In terms of the provisions of the Endumeni Disaster Risk Management Policy Framework, the Municipality operates in the following manner:

- Response Protocols;
- Contingency Planning
- Access to Resources for:
 - Immediate relief;
 - Equipment; and
 - Recovery and rehabilitation.
- Guidelines for:
 - Funding; and
 - Declaration of a State of Disaster.

Response Protocols

Having conducted, in terms of the provisions of the approved Disaster Risk Management Policy Framework, a Disaster Risk analysis of the individual Wards within the Endumeni Municipal area, the Advisory Forum will now be able to identify specific communities and infrastructure that are most vulnerable to the risks or threats that are prevalent in that particular Ward.

Contingency Planning

Contingency Plans are **alternatives** to the **normal**. Having determined **who** is likely to be threatened by **what** hazard and **which** Emergency Services are likely to respond, it is of vital importance that **the responders** have a **plan of action** that must be followed in order to address the particular circumstances at hand.

Contingency plans, therefore, need to identify **the availability and accessibility of resources** (human, material, financial and structural). This will provide for the re-

prioritization of projects in order to make emergency relief or rehabilitation projects possible using own resources.

Contingency plans must also identify **developmental projects and programs, aimed at risk reduction**, which need to be aligned with the municipal I.D.P.'s in order to identify funding sources.

ENDUMENI LOCAL MUNICIPALITY has the following contingency checklists:

- DROUGHT
- EPIDEMIC
- FIRE
- FLOOD
- HAZMAT
- STORM

Endumeni Local Municipality then uses a guideline to the declaration of a local state of disaster. The Process and Consequences of a Declaration of a Local State of Disaster is governed by **Section 23** deals with the classification and recording of disasters as “**Local Disaster**”, “**Provincial Disaster**” and “**National Disaster**”.

Assignment of Responsibilities is then done through **Section 54** in the event of a municipal disaster. *In terms of this section, the council of a metropolitan municipality and the council of a district municipality, acting after consultation with the relevant local municipality, are primarily responsible for the coordination and management of disasters that occur in their municipal areas of responsibility, irrespective of whether a municipal state of disaster has been declared in terms of section 55 or not.*

Declaration of a Local State of Disaster is then done through Section 55 prescribing the procedures to be followed when an event is declared to be a municipal state of disaster. This section also clarifies the logic of assigning the responsibility to co-ordinate and manages a municipal state of disaster to the executive committees of the metropolitan or district councils, as prescribed by section 54.

1.9.3 Disaster Risk Reduction.

Disaster Risk Reduction Planning.

Although Endumeni faces a broad range of Disaster Risks, it is not possible to address all potential threats at once. Effective disaster risk management planning by all municipal departments as well as by other essential external roleplayers, requires careful identification of priority disaster risks and the areas, communities, households and infrastructure most vulnerable to the identified risk.

The Disaster Risk Assessment conducted in terms of Key Performance Area 2 will play a critical role in informing the process of Priority Risk identification

- Identifying Priority Disaster Risks.
- Identifying the most vulnerable areas, communities and households

- Priorities for focusing disaster risk protection efforts
- Strategic planning: disaster risk reduction

Prevention and mitigation as core disaster risk reduction principles.

All disaster risk management plans must give explicit priority to the core principles of disaster prevention and mitigation. Disaster prevention, mitigation and preparedness are referred to as disaster risk reduction measures because they lessen the likelihood of harmful losses by avoiding endangering hazards or reducing vulnerability. In this way, prevention and mitigation are central to achieving the goal of disaster risk reduction in which vulnerabilities and disaster risks are reduced and sustainable development opportunities strengthened.

It is often difficult to decide whether an intervention is preventive or mitigative. For this reason, it is more practical to refer to them jointly as disaster risk reduction measures, because both minimise the risk of disasters.

- Disaster prevention
- Disaster mitigation
- Disaster Risk Reduction Planning and the Endumeni Integrated Development Plan.

1.9.4 Disaster Response and Recovery

Response

The Endumeni district disaster risk management policy must also incorporate elements of preparedness, response and recovery appropriate to the respective functional areas of different organs of state.

Preparedness

Preparedness contributes to disaster risk reduction through measures taken in advance to ensure effective response to the impact of hazards, including timely and effective early warnings and the temporary evacuation of people and property from threatened areas.

Disaster response

Disaster response refers to the provision of assistance or intervention during or immediately after a disaster to meet the life preservation and basic subsistence needs of those people affected. It can be of an immediate, short-term or protracted duration.

Disaster recovery

Disaster recovery (including rehabilitation and reconstruction) focuses on the decisions and actions taken after a disaster to restore livelihoods, services, infrastructure and the natural environment. In addition, by developing and applying

disaster risk reduction measures at the same time, the likelihood of a repeated disaster event is reduced.

- Co-ordination of response and recovery efforts
- Resources
- Incident Management System

1.9.5 Training and Awareness

Sections 15 and 20(2) of the Act specify the encouragement of a broad-based culture of risk avoidance, the promotion of education and training, and the promotion of research into all aspects of disaster risk management.

This enabler addresses the requirements for the development and implementation of a national education, training and research needs and resources analysis and a national disaster risk management education and training framework, the development of an integrated public awareness strategy, including effective use of the media, the development of education and training for disaster risk management and associated professions, and the incorporation of disaster risk management in school curricula. It also outlines mechanisms for the development of a disaster risk research agenda.

- Responsibility for conducting an education, training and research needs and resources analysis
- Responsibility for developing a disaster risk management education and training framework
- Training programmes for communities
- Responsibility for the development of training programmes
- Schools
- Research

1.9.6 Funding Arrangements

Section 7(2)(k) of the Act requires that the national disaster management framework makes provision for 'a framework within which organs of state may fund disaster risk management with specific emphasis on preventing or reducing the risk of disasters, including grants to contribute towards post-disaster recovery and rehabilitation.

Given the provisions of the Act, funding arrangements must be designed in a manner that ensures that disaster risk management activities are funded adequately and in a sustainable way.

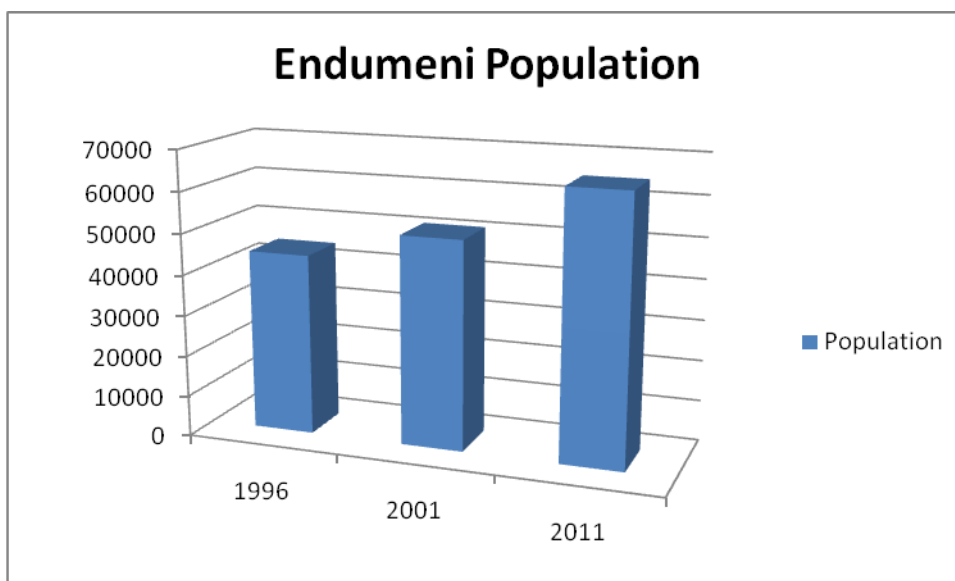
This enabler describes the disaster risk management funding arrangements for organs of state in the national, provincial and local spheres of government and builds on the recommendations made by the Financial and Fiscal Commission (FFC) on funding arrangements in its *Submission on the Division of Revenue 2003/04*

SPATIAL ANALYSIS AND DISASTER MANAGEMENT	
Strengths	Weakness
SDF in place	Implementation/budgeting of the SDF
Existing baseline procedure in place to guide and regulate development	Parking of trucks on the main corridors
Greenest town in the District	Movement of pedestrians across Victoria Corridor within the taxi-rank area
Town effectively linked in terms of transportation	No environmental officer and town planner within the municipality. Shared Services is temporary.
Grant funding for parks establishment and removal of alien plants	Less focus on potential development nodes.
Updated Disaster Management Plan is functional.	Underutilized tertiary nodes.
Availability of farm land, e.g. municipal owned and LRAD land	Lack of Town Planning and LED capacity
	Non-transformation of the current Town Planning Scheme.
	Status of available land on lease is unknown.
Opportunities	Threats
Geo-referencing of municipal projects	Lack of new investment into the municipal area
Linkage of the District Infrastructure Plan to SDF	Sustaining current investment within municipal area
Job Creation through removal of alien plants and green town	Deteriorating weather patterns
Identification and establishment of Truck stop	Degraded environment and soil erosion
Investigation into redirecting pedestrians that cross Victoria in the taxi-rank area	Existing Town Planning Scheme is not in line with the terminology enshrined in the Constitution
Street furniture i.e. drop off zones, shelters	Lack of capacity to carry out responses to Disaster Management Plans.
Promotion of Public Investments in potential nodes. i.e. Develop strategies, activities should be linked to nodes as to sustain them.	Development cannot be
Rezoning of Glencoe (available land) into potential areas, e.g. Industrial	

2. Demographics Indicator

2.1 Population

The Endumeni population has increased from 51 101 recorded in 2001 to at least 64 862 recorded in 2011 census. This increase necessitates the matching increase on the level of provided services. Hence the planning for future infrastructure will be cognisance of this eminent reality. Again, the economic growth and development of Endumeni is now compelled to cater for increasing population. In the light of the three noticeable social-economic ills of unemployment, poverty and inequality it is clear that the failure of the economy to absorb an increased labour force will worsen the social living standards of the community. The graph below indicates that, there has been a steady growth in population between 1996 and 2011.

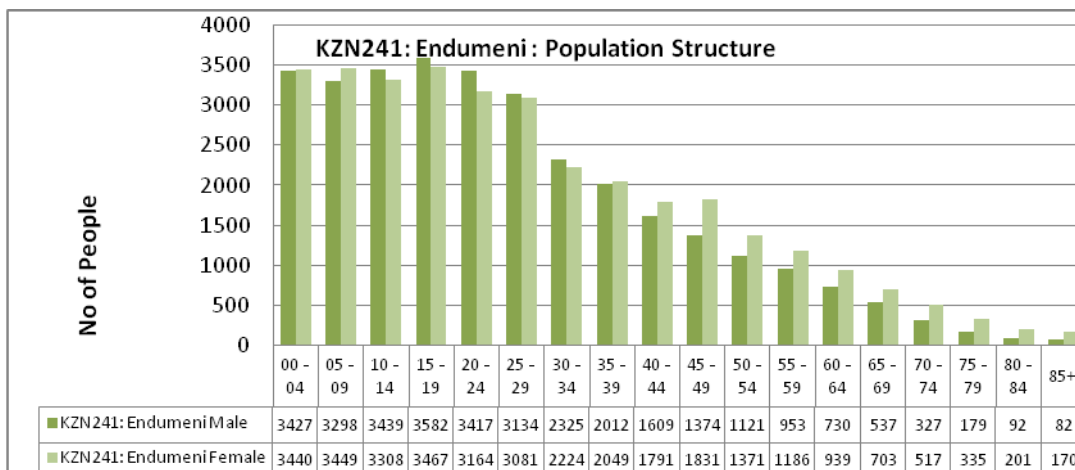


Source: Statssa 2011

The above displayed trend that the municipality can also use an estimate of future projection on population figures for the next 10 years. The Endumeni has experienced the population growth rate of at least 2.38% per annum between 2001 and 2011, which is lower than the growth rate of 2.83% incurred between 1996 and 2001. This growth at a decreasing rate can be attributed to various factors with the inclusion of HIV Aids pandemic. But the overall summary is that, the future of Endumeni is full of challenges if you consider the graph below on age distribution.

2.1.1 Age Distribution

The age distribution of Endumeni community suggests that more than 50% of the population falls with the youth category. Undoubtedly the future growth and development will be necessary in order to meet both social and economic needs of this young population section.



Graph2:

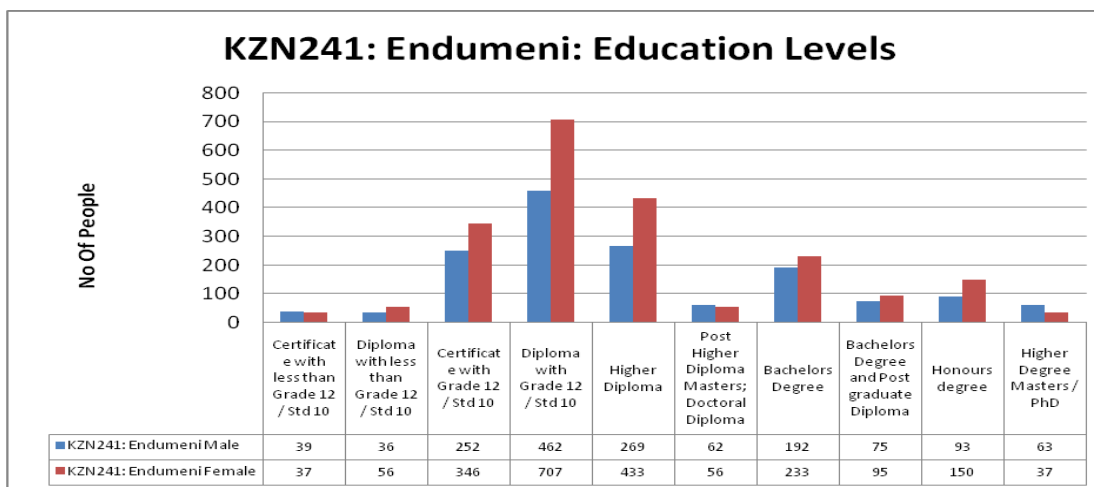
Age

Distribution

Source: Statssa 2011

2.1.2 Education Level

The education level is an important indicator of the future prosperity or challenge facing an economy. In this regard it is noted that the community of Endumeni is becoming more empowered through acquisition of important academic qualification. An increased number of women or females in particular is acquiring more diplomas and degrees. But if the economy fails to absorb those skilful people they will surely search for greener pastures elsewhere.

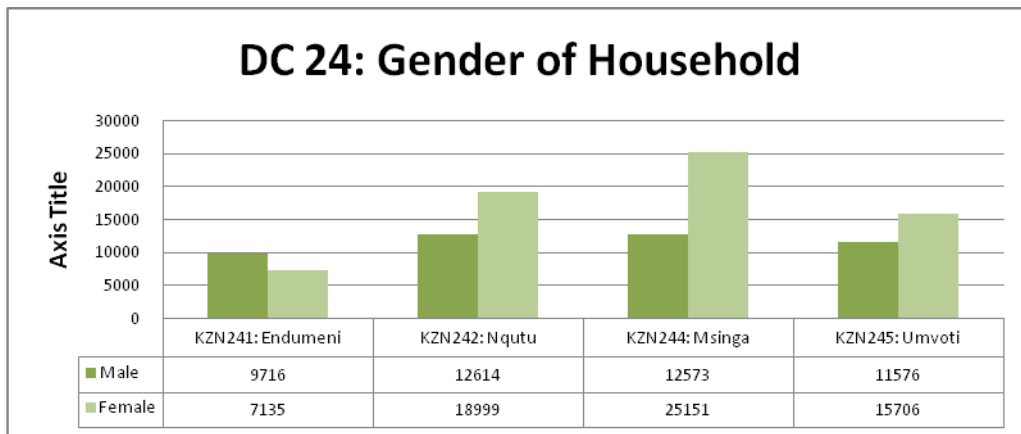


Graph3: Education Level

It is positively noted that, people with no schooling have decreased from 15% in 2001 to 6.7% in 2011. This is accompanied by the increase in people with matric qualification from 23% in 2001 to 30% in 2011. It is vehemently believed that, the establishment of a fully-fledged Further Education and Training centre will increase the education profile for the municipal area. Interestingly primary education enrolment has also increase from 90% in 2001 to 93% in 2011.

2.1.3 Gender of Household

The female headed households in the district of Umzinyathi have increased dramatically. This puts more responsibility on their shoulders to provide for their families. Undoubtedly, the local economy has to be absorptive of female labour force in order to enable them to discharge their responsibilities. Unfortunately the increasing unemployment rate also affects the women thereby undermine their capability and capacity to sustain their households.



Graph 4: Gender of Households

Source:

Statssa

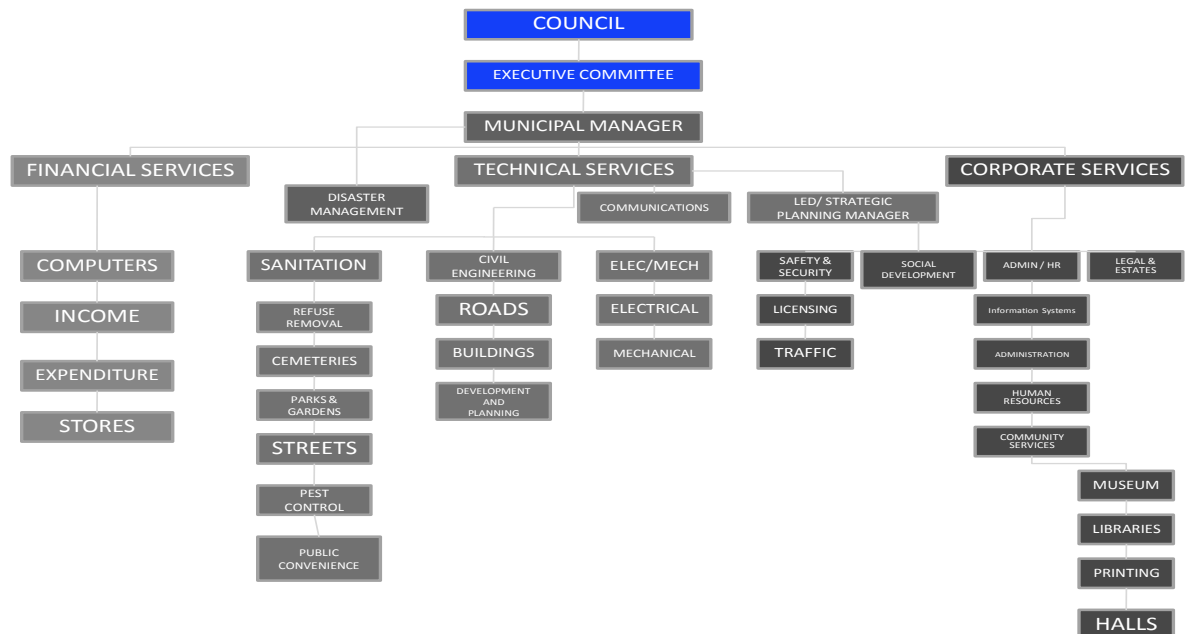
To this end, the municipal programmes have to cater for women and drive biased economic empowerment through SMME support and other job creation measures that will strengthen women position in society.

3. Municipal transformation and organizational development analysis

3.1 ORGANIZATION OF ADMINISTRATION

The Municipality's Management Team is headed by the Municipal Manager who functions under the political directive of the Mayor. There are three Section 57 Managers, existent in the structure, who report directly to the Municipal Manager namely: the Executive Manager Corporate Services, the Executive Manager Technical Services and the Chief Financial Officer.

The management team monitors, implements and reviews various Council resolutions as well as the performance of various sub-directorates of the Municipality.

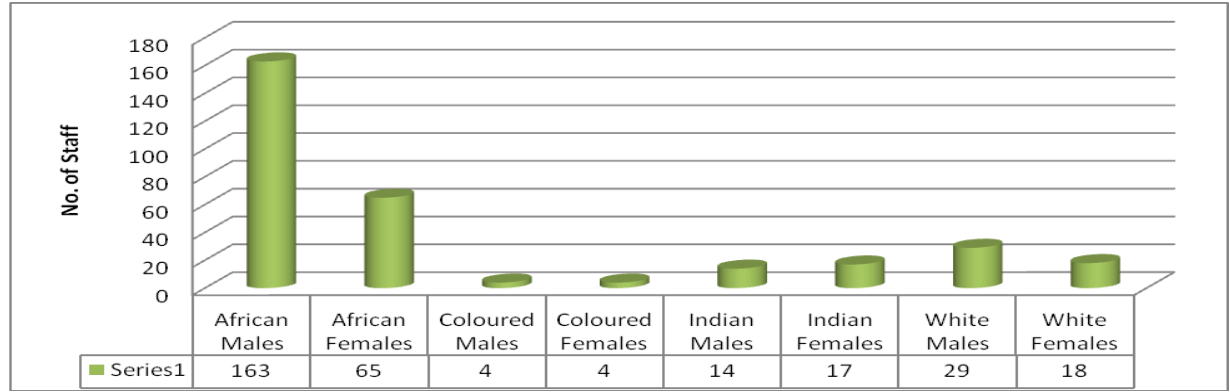


ORGANISATIONAL STRUCTURE

The Endumeni Municipality has a total staff compliment of 314 permanent employees. The organograms for all departments was submitted to the Local Labour Forum for approval and all organograms were reviewed and amended by Council on the 25 August 2008.

The employees of the Endumeni Council are represented on the organizational structure as follows:

WORKPLACE PROFILE



The Endumeni municipality's workforce consists of:

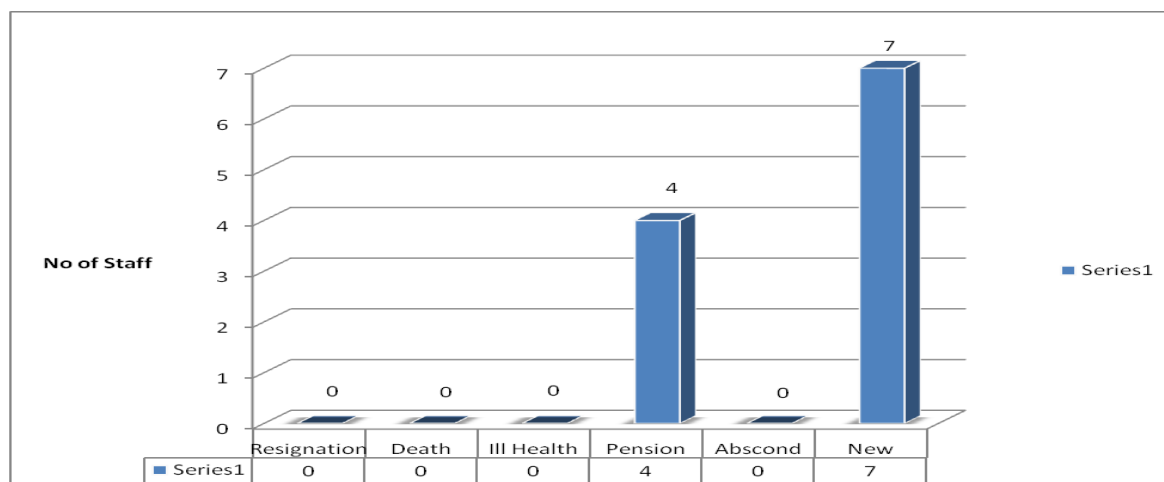
65 African Females
4 Coloured Females
17 Indian Females
18 White Females
163 African Males
4 Coloured Males
14 Indian Males
29 White Males

STAFF MOVEMENT

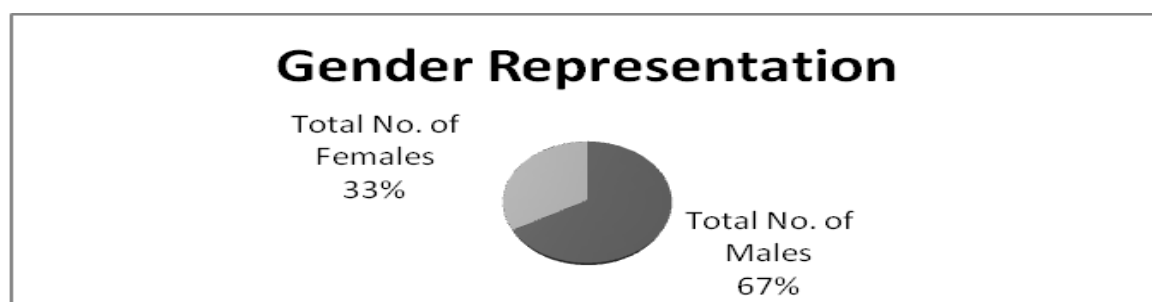
Staff movements occur due to various reasons such as resignation, death, ill health, pension, dismissal and from new employees entering the Councils service.

During the quarter October 2011 to December 2011 there were 7 new appointments. Four staff members had been pensioned as they had attained pension age of 65 years.

The graph below depicts the various exits and entrants for the 2nd quarter ending 30 December 2011.



GENDER REPRESENTATION



The ratio of males to females is 2, 02:1. There are a total of 210 males and 104 females and their respective percentages on the staff establishment is 67% and 33% respectively.

HEAD COUNT PER DEPARTMENT

The following departments and sections exist within the Endumeni Municipality:

Corporate Services: Administration, Safety & Security, Social Development and Legal& Estates

Finance: Income and Expenditure

Technical Services: Sanitation, Civil Engineering, Electrical, Mechanical and Communications & LED

Municipal Manager: Internal Audit (Outsourced), Strategic Planning, Support Services and Disaster Management

Interviews with prospective candidates for the post of Municipal Manager had been concluded and appointment is pending.

The post of LED Manager has been advertised and will be filled shortly.

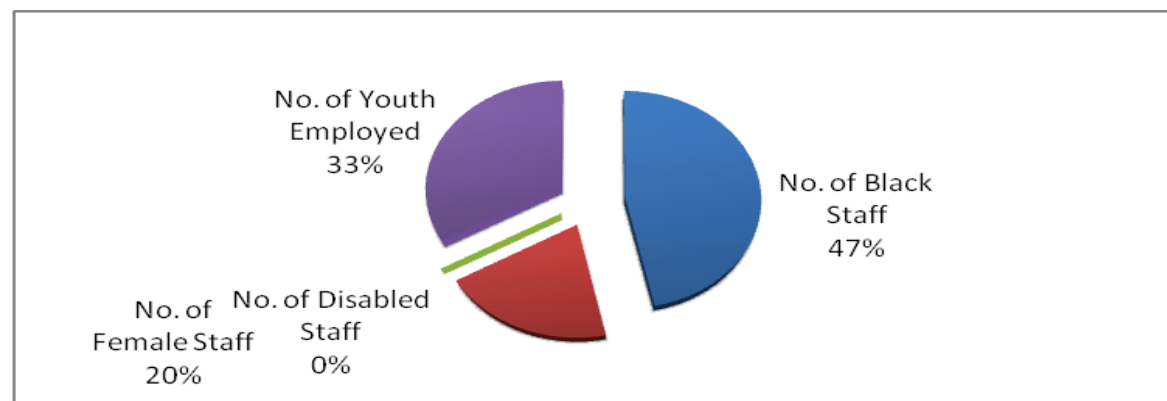
The table below displays the number of employees in the various departments:

Corporate Services	Technical Services	Financial Services	Municipal Manager	Communications and LED
94	169	41	8	2

NUMBER OF YOUTH, FEMALES AND BLACK STAFF EMPLOYED

During the quarter 01 October 2011 to 30 December 2011 there were a total of 7 new entrants of which 3 were females and 4 were males. 5 youth were employed all of whom were black.

The graph below displays the percentage of youth, Blacks and females employed.



POLITICAL STRUCTURE

The Endumeni Council has, in accordance with Section 43 of the Municipal Structures Act No. 117 of 1998, established an Executive Committee comprising of three members.

The Executive Committee is chaired by the Mayor, while the Council is chaired by the Speaker in terms of Section 48 and Section 36 of the Municipal Structures Act (117 of 1998) respectively.

The Executive Committee functions under delegated authority of the Council, except for those powers and functions as determined by Section 160 of the Constitution of South Africa 1996.

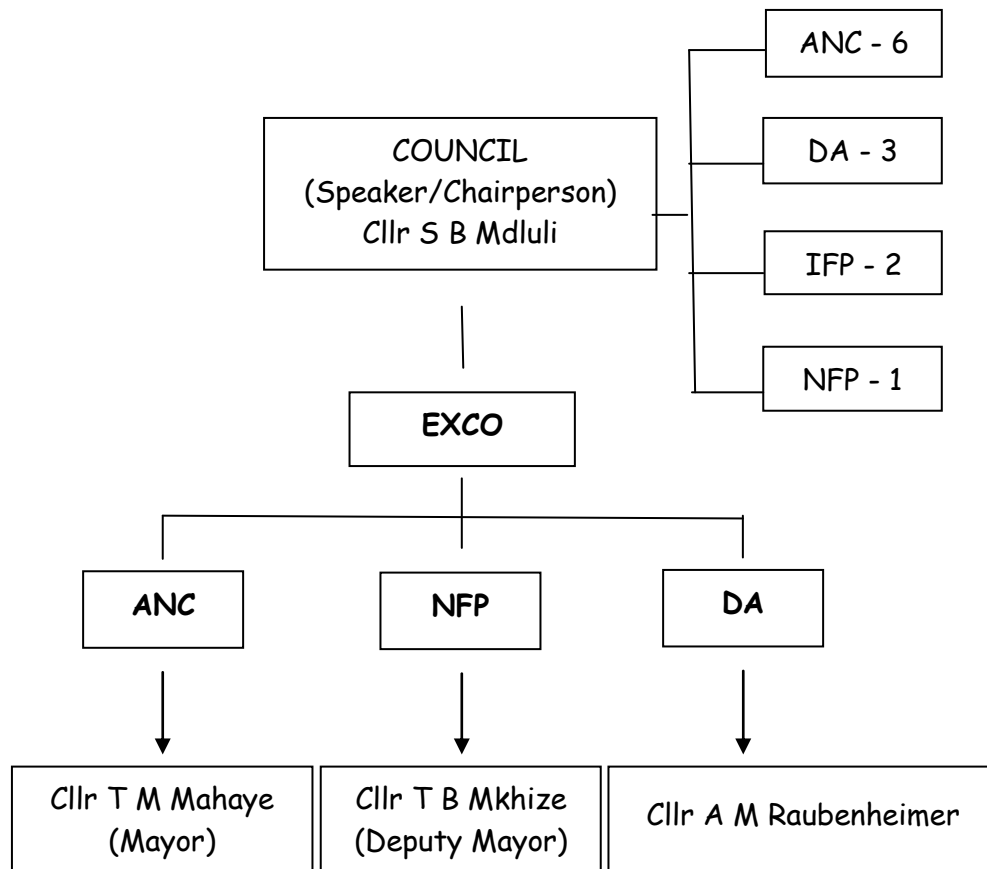
The Endumeni Municipality is demarcated into 6 wards with active ward committees.

The purpose of the Ward Committees is to assist the Ward Councillors with organizing, consulting and the cascading of information to all stakeholders of the various wards.

The office bearers of the local municipality are as follows:

Speaker:	Cllr S B Mdluli:	ANC	} Executive Committee
Mayor:	Cllr T M Mahaye:	ANC	
Deputy Mayor:	Cllr T B Mkhize:	NFP	
Exco Member:	Cllr A M Raubenheimer:	DA	

Political Structure



3.2 STATUS OF CRITICAL POST

- **Municipal manager**

The municipal manager is currently suspended and COGTA have seconded an acting municipal manager to run the affairs of the municipality. While waiting for the suspension to be resolved.

- **Section 57**

The council has recently resolved not to renew the contracts of employment of the 3 section 57 managers, and in the interim have appointed three acting managers.

- **IDP / PMS Manager**

This post belongs in the Municipal Managers office and is vacant; however the Senior Town Planner from the District Development Planning Shared Services is the responsible personnel.

Council has recently passed a policy which extends performance monitoring to other staff in general and not only to Section 57 Managers. This daunting task warrants the expansion of human resources to a fully fledged Performance Management Component whose task will specialize in ensuring that the performance monitoring function is executed in a fully competent manner.

- **Local Economic Development Officer**

This post was strategically created in order to fulfil the urgent need to stimulate economic growth at Endumeni. The vacant post has been advertised and needs to be filled as soon as possible.

3.3 POWERS AND FUNCTIONS OF THE ENDUMENI MUNICIPALITY

The Endumeni Municipality is a category B Municipality as described in Section 155(1)(b) of the Constitution of the Republic of South Africa 1996. The powers and functions of the Endumeni Municipality is in compliance with Section 156 of the Constitution of the Republic of South Africa, 1996.

Performance of Powers and Functions

POWERS & FUNCTIONS	CAPACITY/ CHALLENGES	INTERVENTION/ ACTION TAKEN
Building Regulations	Partial capacity. Appointment of Building Inspector as a specialized function is still outstanding	Interim appointment made
Electricity Reticulation	Reticulation on distribution functions performed satisfactorily	Occupational Health and Safety compliance outsourced
Fire Fighting Services	No capacity	Entire function is outsourced
Local Tourism	No capacity	Function subsidized to the Endumeni Tourism Board
Municipal Airport	Airfield managed by Endumeni Municipality	Runway lighting to be improved
Municipal Planning	Internal and Shared services	Agreements entered with sister Municipality within the District
Stormwater Management System in Built Up area	Functioning satisfactorily	Allocate more funds to improve stormwater management
Trading Regulations	Functioning satisfactorily in terms of Business Act	Annual licence renewals done
Cemeteries	Functioning satisfactorily	To plan for extended burial land space
Cleansing	Functioning satisfactorily	None

Billboards and Display of Advertisements in Public Places	Functioning satisfactorily	Signage Control Officer appointed for this function
Licensing and Control of undertaking that sell food to the public	Have capacity for licencing function. Control of sale of food function was transferred to the District Municipality in terms of Powers and Functions Allocations	Local Municipality and District Municipality jointly administer this function
Local Amenities	Have capacity - satisfactorily performed	None
Municipal Parks & Recreation	Have capacity - Satisfactorily performed	None
Municipal Roads	Have capacity, financial challenge to meet all road defect compliance	Ensure budget provision spread over a long term maintenance plan
Pounds	No capacity	Function to be outsourced in terms of Section 76 of the Municipal Systems Act
Public Places	Have capacity - Satisfactorily performed	None
Refuse Removal, Refuse dumps and Solid Waste disposal	Have capacity - illegal dumping is an issue	Appointed Peace Officer to curb dumping issue. Assisted by the District Municipal Health Authority
Street Trading	LED Officer still to be appointed to regulate street trading problems	To appoint LED Officer
Street Lighting	Have capacity - Satisfactorily performed	None

Traffic and Parking	Have capacity - Satisfactorily performed	Change of Legislation in terms of AARTO Act expected in near future
Libraries	Have capacity - Satisfactorily performed	None
Museums	Have capacity - Satisfactorily performed	None
Municipal Halls and other Municipal Buildings	Have capacity - Satisfactorily performed	None
Financial Planning and Budgeting	Have capacity - Satisfactorily performed	None
Expenditure and Related Liabilities	Have capacity - Satisfactorily performed	None
Income and Related Credit Management	Have capacity - Debt collection to be improved	Debt Collection component to be expanded with additional staff appointments
Control of Council's Assets	This function has been recently improved and in progress of being compliant	Asset Management being updated and brought under control
Investments	Satisfactorily managed	None
Financial Reporting	Financial reporting obligations are satisfactorily met	Regular reporting to Provincial and National Treasury and COGTA

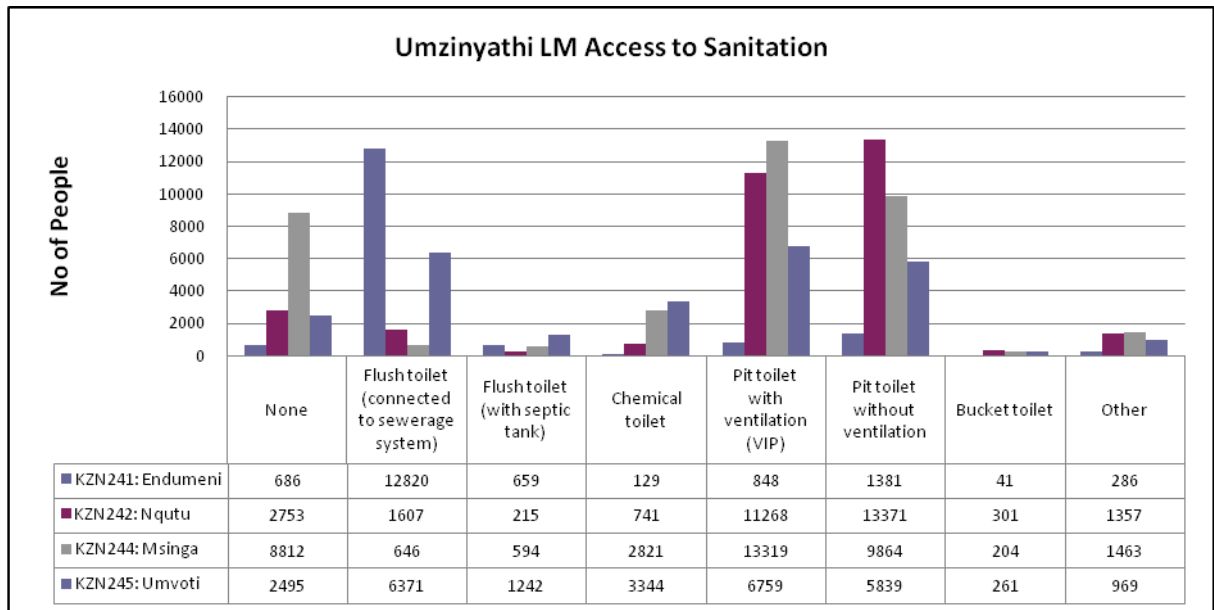
Municipal transformation and organizational development analysis

Strengths	Weakness	
Capable and Skilled officials	Limited resources	Insufficient HR (as per Organogram)
Structures	Transformation on snail's pace	Lack of skills (WSP)
Active Unions (Local Labour Forum)	Failure of implementing the Succession Plan	Lack of managerial equity (EEP)
	Lack of Manager in the Office of MM	Lack of implementation of EEP
	No HR Strategy	Lack of implementation of WSP
	Organisational Structure not aligned to IDP	<i>Political and Administrative</i> interference
	Insufficient delegations to MM	Inconsistent application of regulations (Change Management Strategy)
Opportunities	Threats	
Grant Funding	Losing skilled personnel through natural attrition	
External Technical Support		

4. Service delivery and infrastructure

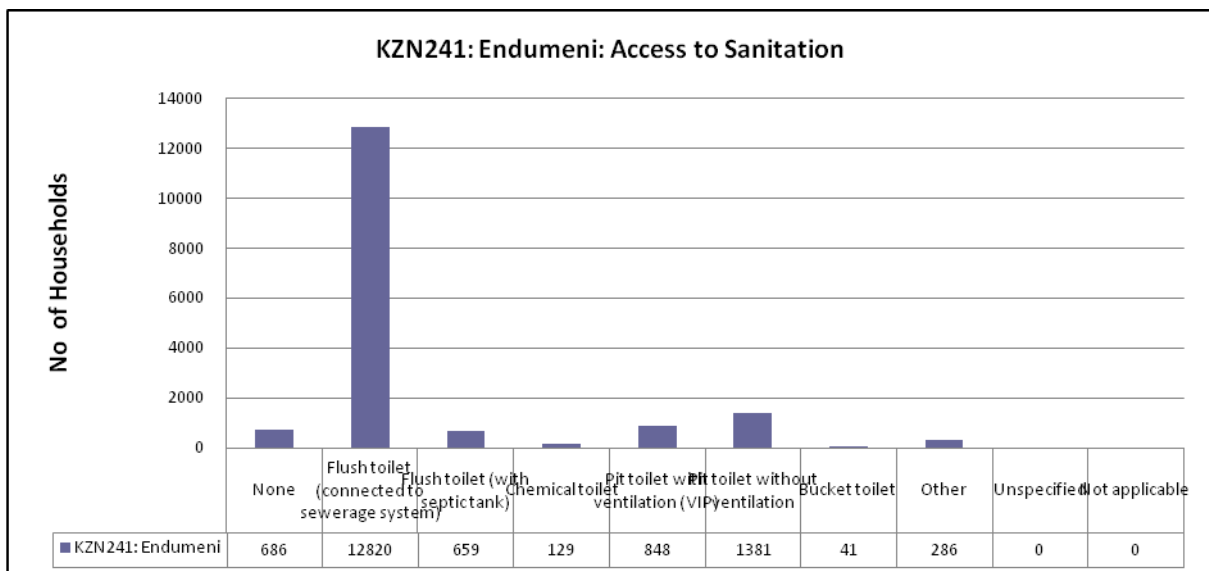
4.1 Access to Sanitation

Access to basic service remains a priority of most societies. It is well understood if one considers the improvement in livelihood and lifestyle that result from accessibility of key services. To this end, the Endumeni municipality has enjoyed dramatic improvement in sanitation access as compared to all other local municipalities within the district.



Graph 5: Access to Sanitation District Wide

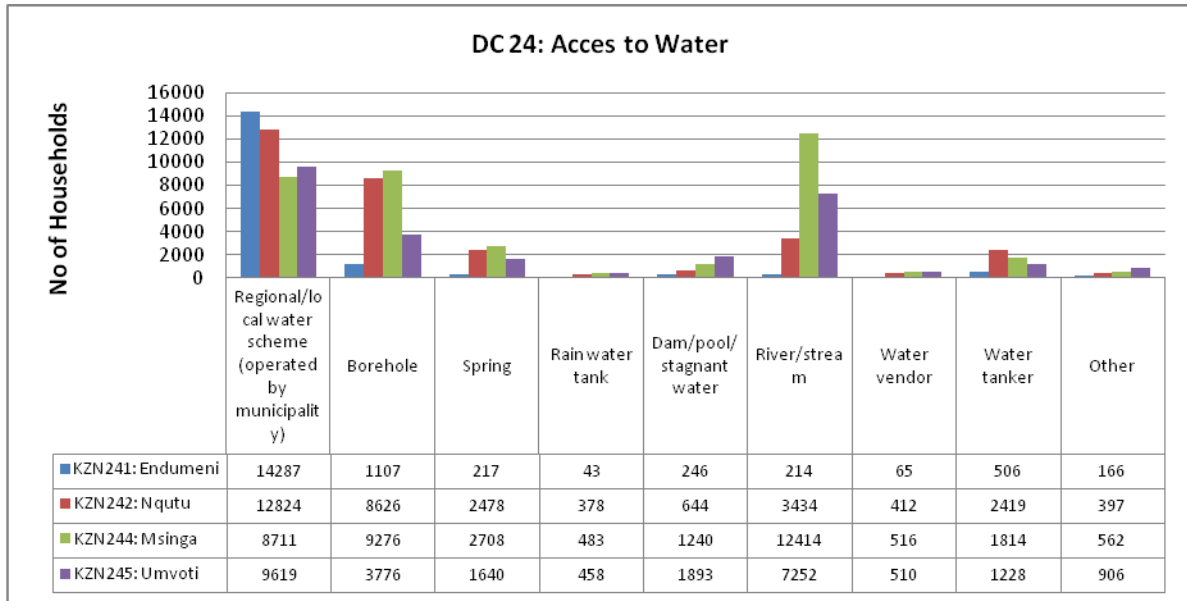
It is however, noted with concern that at least 41 households are still on bucket system and the municipality is concerned with this situation. This will call for fieldwork verification in order to identify affected households.



Graph 6: Access to Sanitation Endumeni

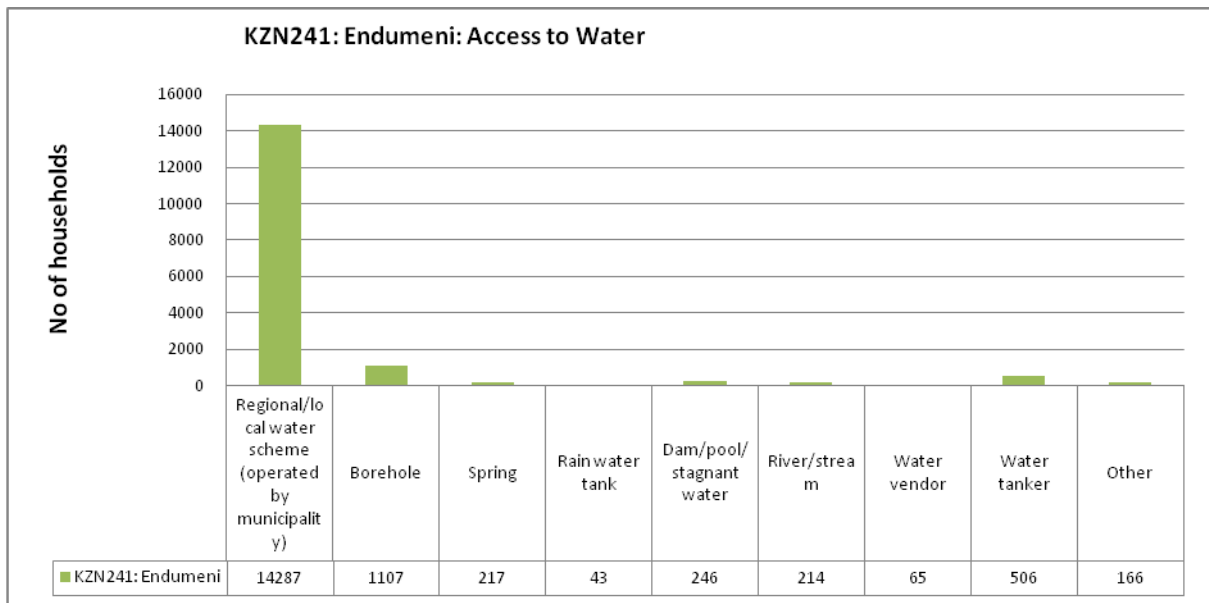
The eradication of sanitation backlog is a priority to the district municipality. Endumeni has the responsibility to influence district programme to expedite the eradication of the current sanitation backlog.

4.2 Access to Water Services



Graph 7: Access to Water

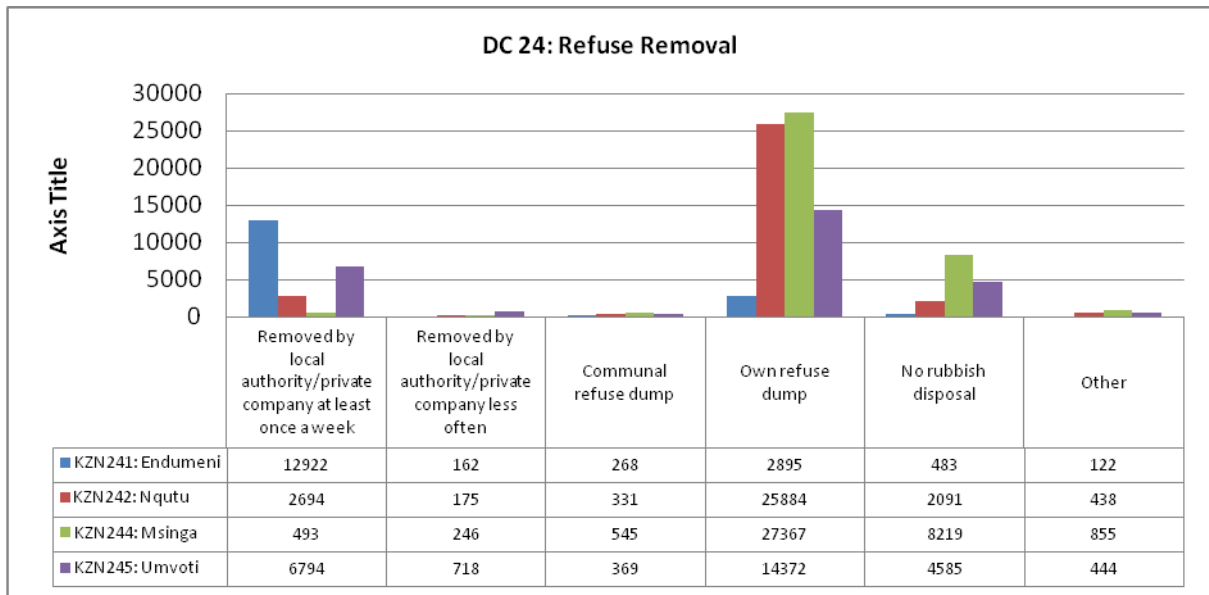
The majority of Endumeni households have access to water through local water schemes. At least 14 287 households have access to water through local schemes and at least 1107 are still dependent on boreholes for their survival.



Graph 8: Access to Water Endumeni

The remaining households are still dependant on dams, river streams and water tankers for access to water.

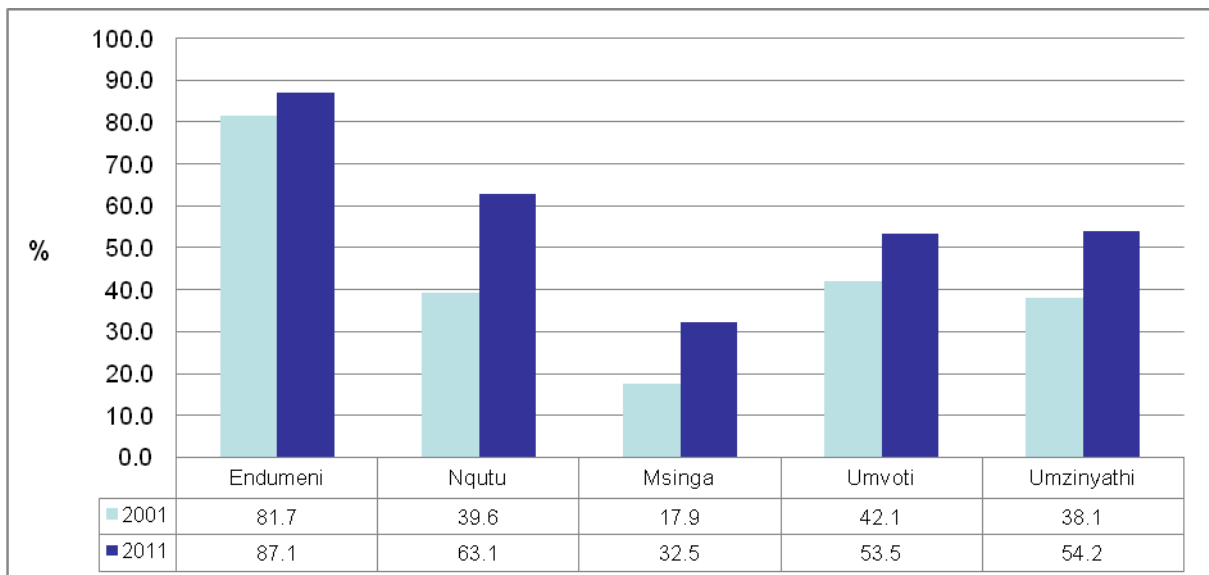
4.3 Refuse



Graph 9: Refuse Removal

Only 62% of households have access to decent refuse removal and the remaining 5100households have no access at all. It is estimated that, 4000 of the 5100 households use personal dumping which might constitute illegal dumping.

4.4 Housing



Graph 10: Housing

The share of households occupying formal dwelling has increased from 72% in 1996 to at least 82% in 2001. The latest results dictate that the formal housing has further increased to 87% in 2011. Nevertheless, there is serious backlog and challenge in the implementation of housing due to limited access to water. To this end, it is estimated that the backlog on formal dwellings is approximately 2398 households. Out of 13 734 households at 1026 are living under traditional type of houses, while 341 falls under other type of dwellings.

4.5 Electricity

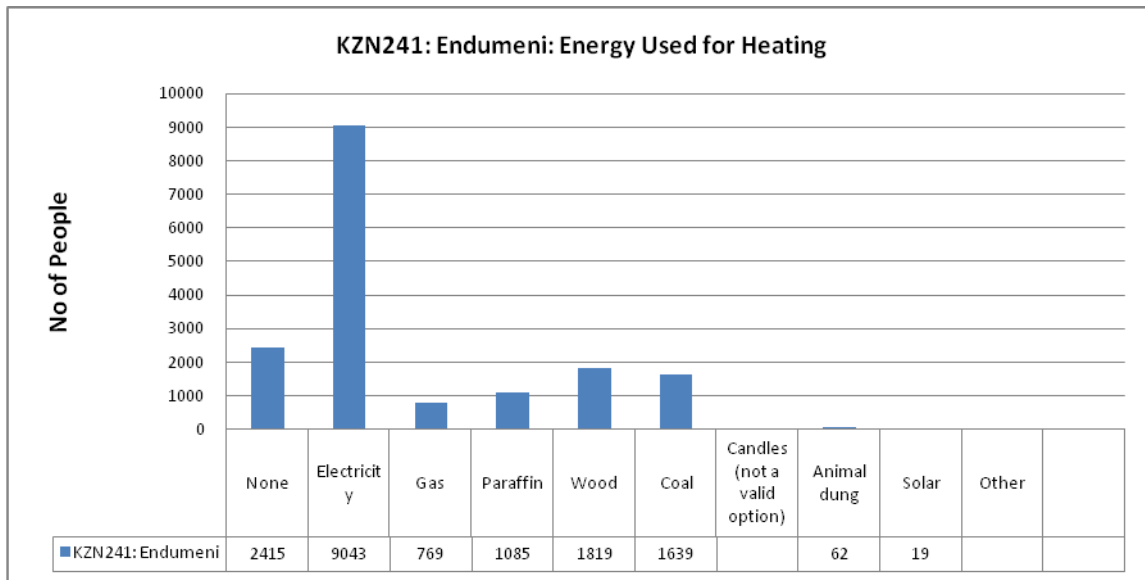
Electricity is one of the major necessities required by all the communities. Lack of electrical connectivity to some of the households within Endumeni has hindered their development and exposed them to ever-increasing prices of paraffin and on-going struggle to access wood as an alternative means of water heating, cooking, etc.

To this end, at least 75.2% of households have electrical connections while 3400 have no connections and form part of the current backlog. This compels the electricity service providers to outline their plans during the new generations of IDP on how are they planning to eradicating this costly backlog. The main affected areas fall under the operational jurisdiction of Eskom.

Table 1: Access to Alternative Sources of Energy

Energy	2001	2007
Electricity	66.3%	80.7%
Gas	0.1%	-
Paraffin	1.3%	0.4%
Candles	31.6%	18.5%
Solar	0.2%	-
Other	0.4%	0.3%

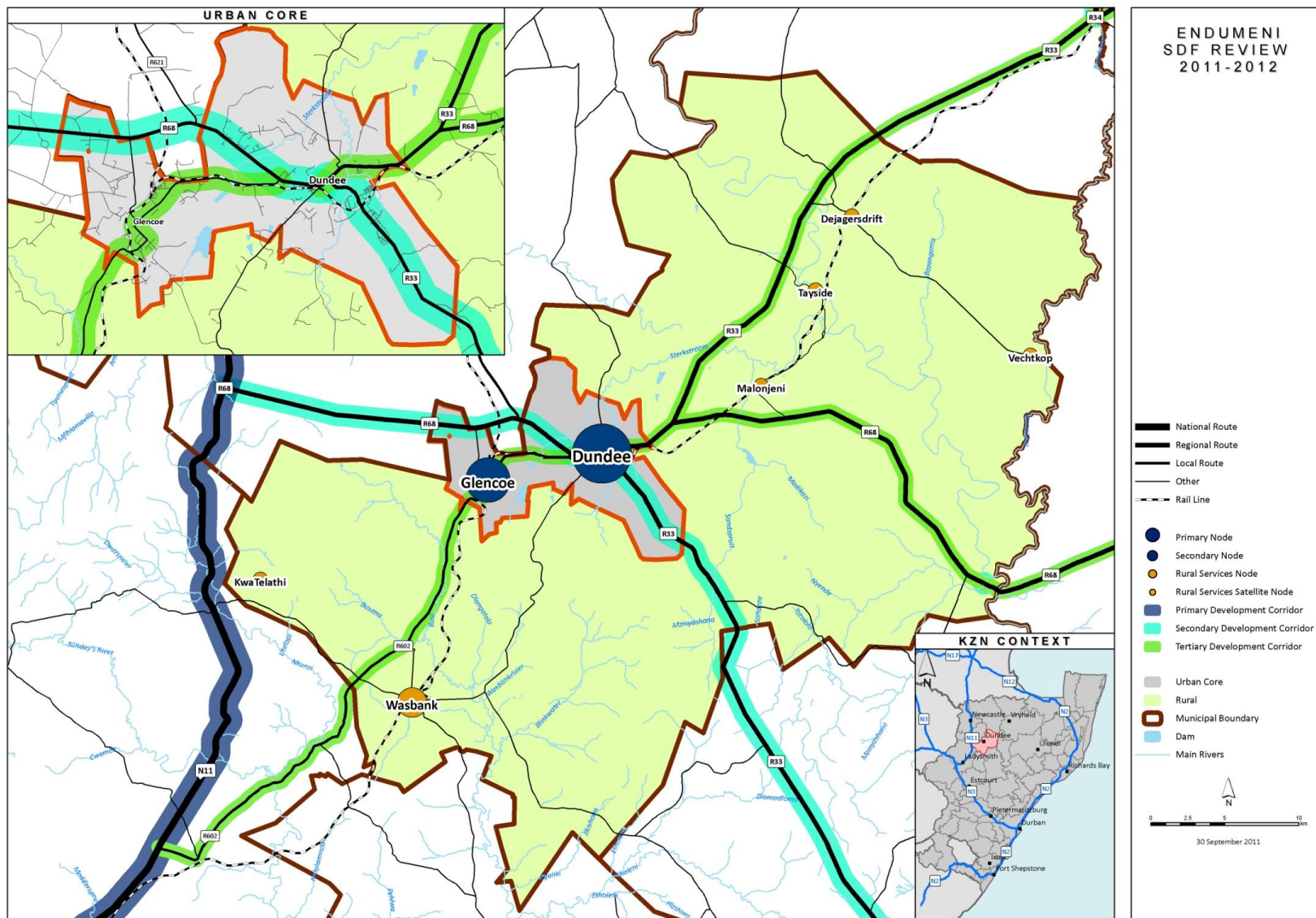
Source: 2001 & 2007 Stats SA



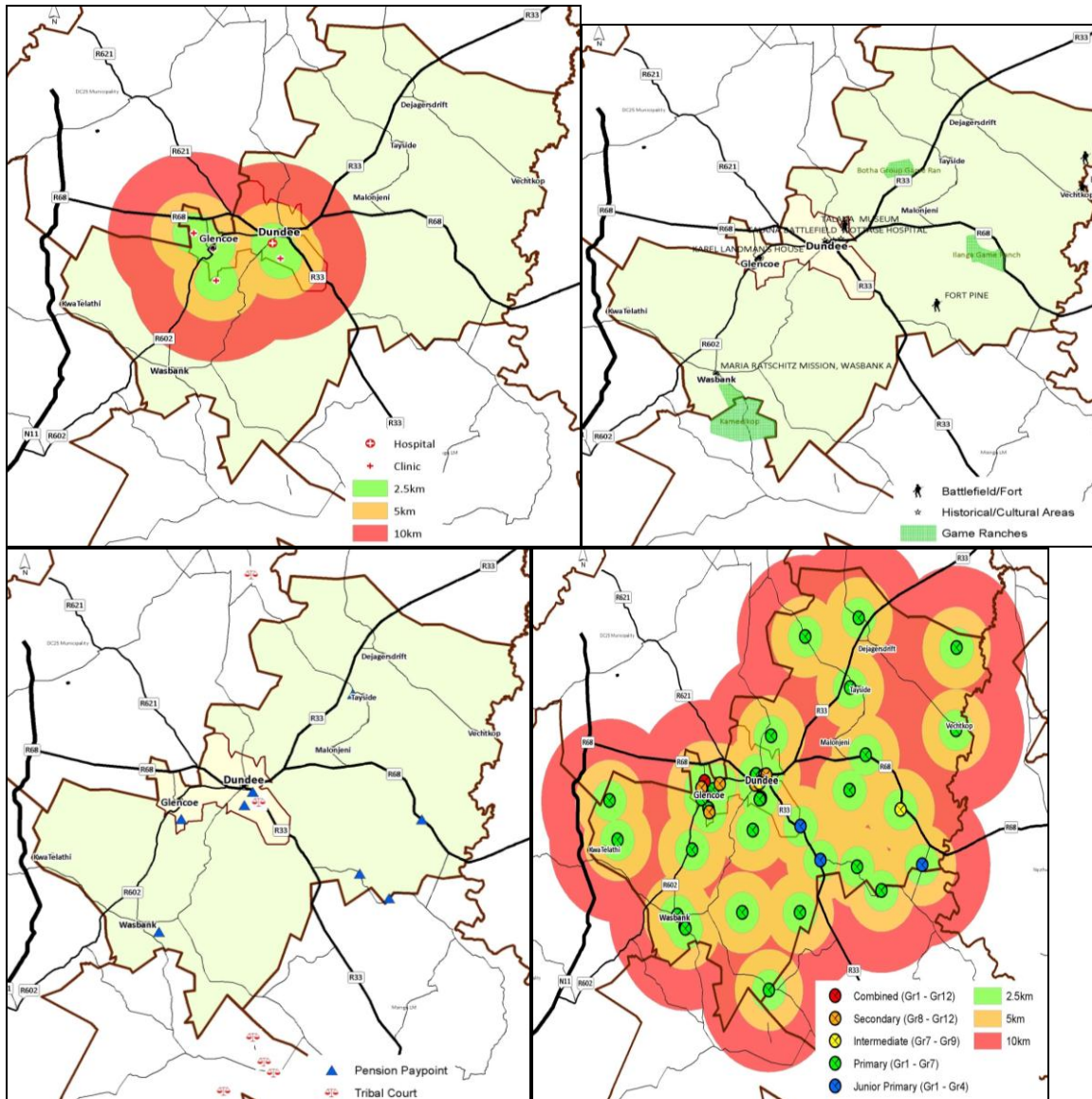
Graph 11: Electricity/ energy use for heating

The majority of Endumeni community is using electricity for heating and cooking purposes. The limited few are still dependent on traditional and primitive measures for heating and cooking purposes.

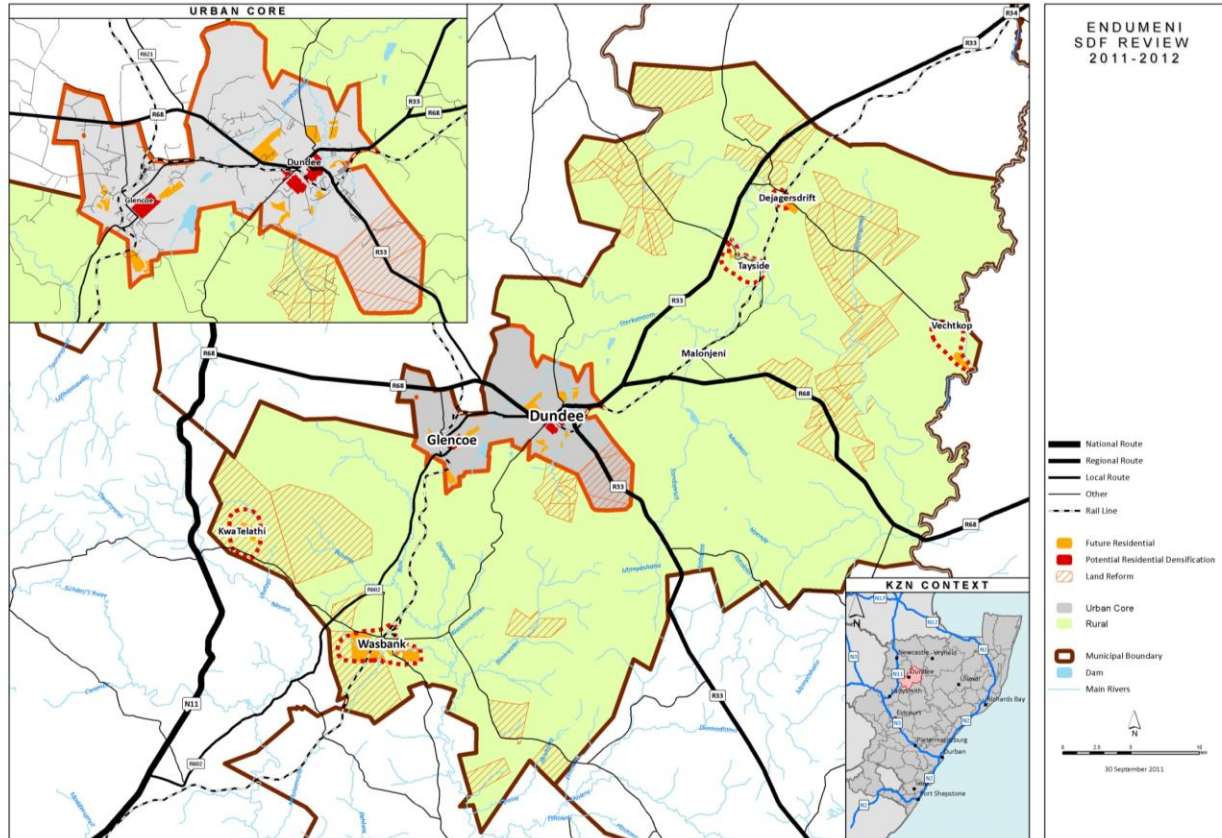
4.6 Transportation Infrastructure



4.7 Access to Community Facilities



4.8 Human Settlements



Service delivery and infrastructure

Strengths	Weaknesses
ELECTRICITY: Availability of Electricity Master plan; capacity (limited) and provision (funding secured: rural;)	Illegal connections- loss of potential income
Road network captured spatially	Moratorium on bulk water and sanitation on newly established townships
Solid Waste: Management Plan	Rural housing stock with no access to water and sanitation
Availability of Council owned land for development i.e. housing	Multi-purpose centre not being fully utilised
Availability of MIG funding	Turn around times for installation of electricity (multi-sectoral partnerships)
	Roads and storm water drainage
	Municipal Airfield in poor condition
	No municipal Taxi Rank (land available for the purpose) and inadequate provision of taxi laybys (drop off zones)
Opportunities	Threats
Availing municipal services to the FET college site	LIFESPAN AND MAINTANANCE: Capacity and state of infrastructure
Establishment of community facilities i.e. Libraries, sports fields, etc	Emerging of informal settlements
Provision of municipal service/bulk to urban area for security of rates purposes	
Securing of funding for Eskom areas	
Explore the purchase privately owned land and transfer of State land	

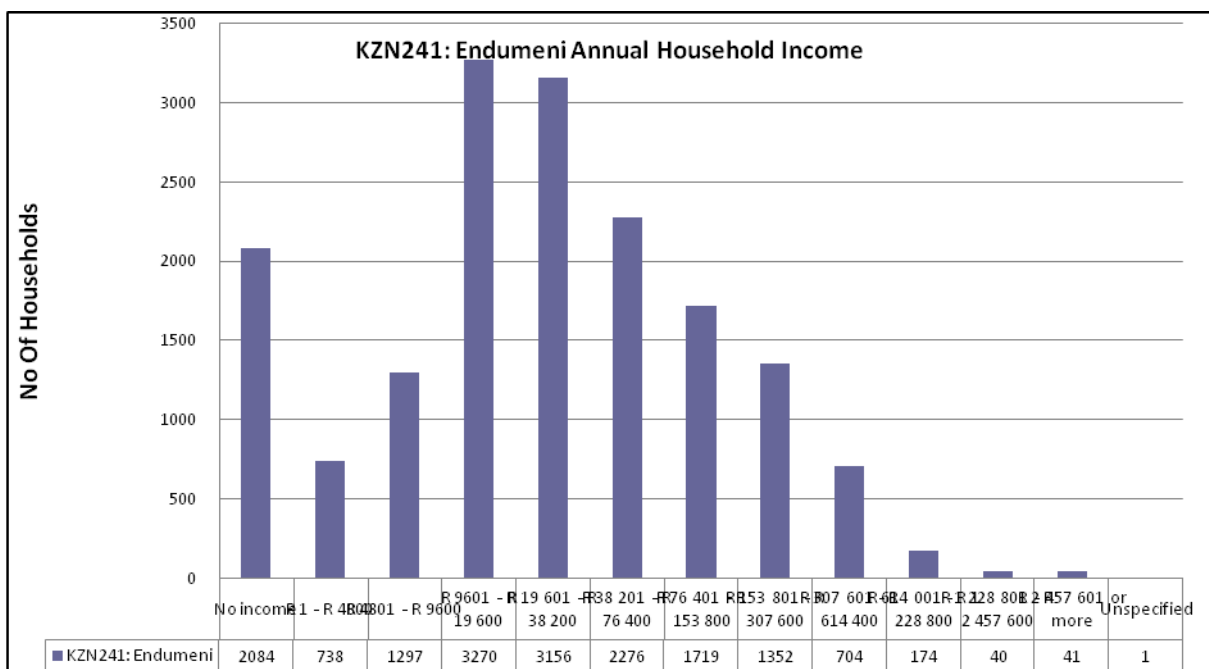
5. Local Economic Development

ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

This section seeks to present the current status on economic realities as well as social dynamics that continue shape the Endumeni social landscape of the area.

5.1 Annual Household Income

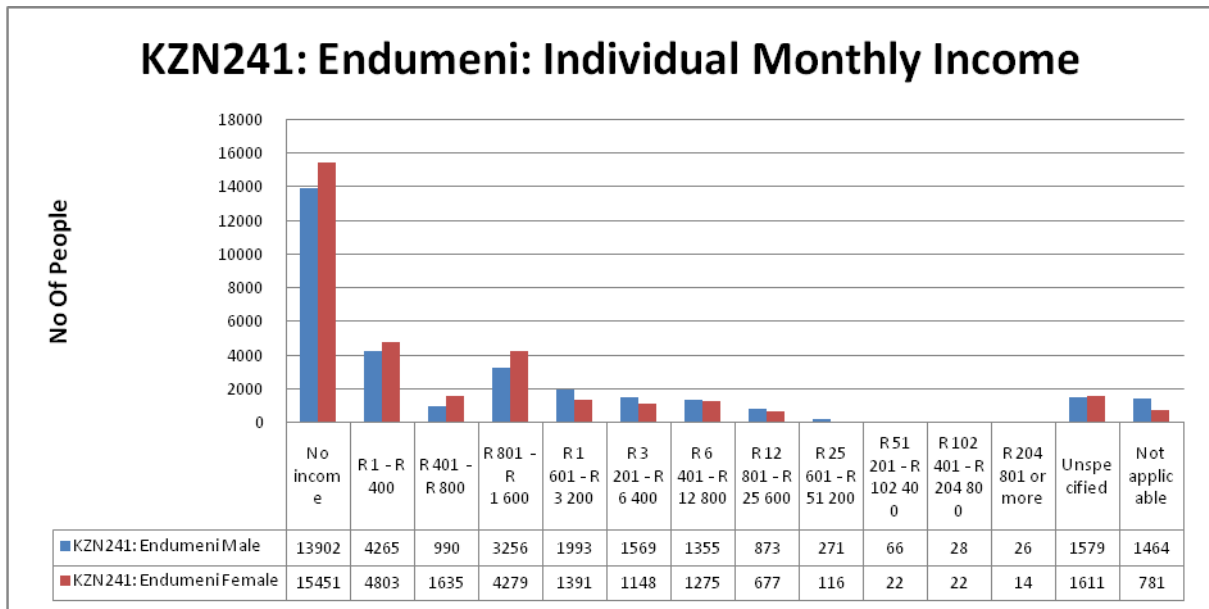
The annual household earnings have increased on average between 1996 and 2011. But those on the upper scales have enjoyed more benefits in terms of average growth in income level. On the contrary, those at the lower end of the scales are becoming more deprived. At least more than 2000 households have no income while more than 7000 are between R4000 to R38 000. The limited few are on the higher brackets. Undoubtedly this confirms the high level of poverty that persists to exist in Endumeni and Umzinyathi in general.



Graph 12: Annual Household Income

5.2 Individual Monthly Income

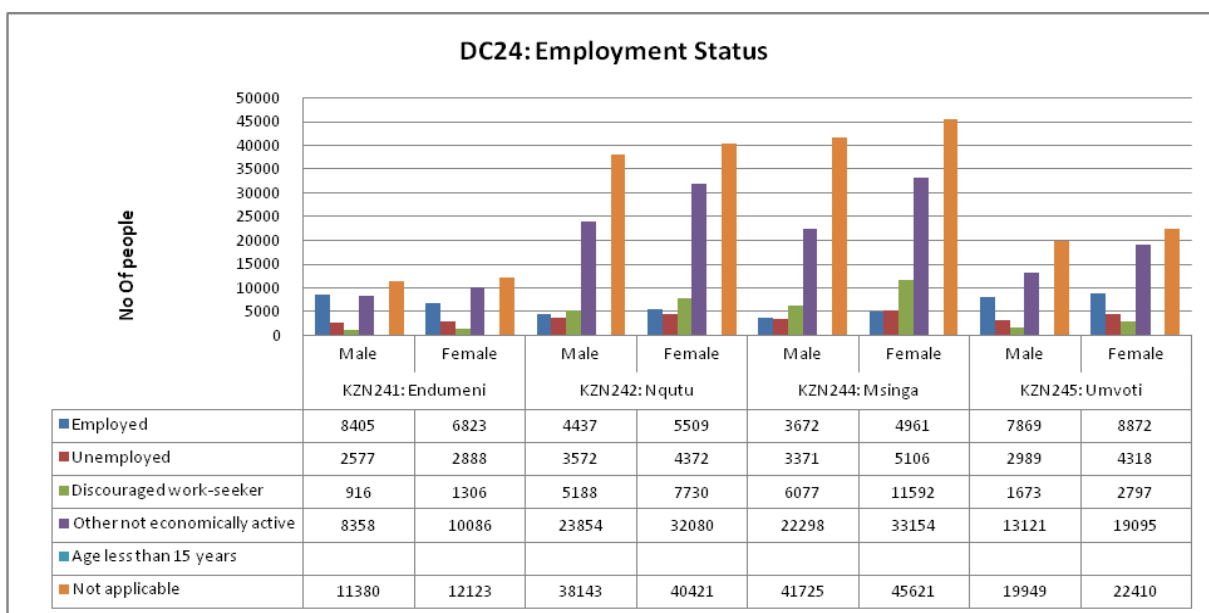
The household income discussed above suggested that at least 2000 households have no access to income and approximately 7000 households. Clearly, there is high level of dependency ration on individual households. Hence, the individual income figures suggests that many people within municipal area have no access to income. At least 29 000 people are reported to be without any income. The next 20 000 people are within the category of R400 to R6400 per month. Undoubtedly more than 50% of the population aged between 15 and 64 years have no access to income.



Graph 13: Individual Monthly Income

5.3 Employment Status

The employment indicator remains critical in every economic analysis, since it indicates number of available opportunities and their accessibility there of.



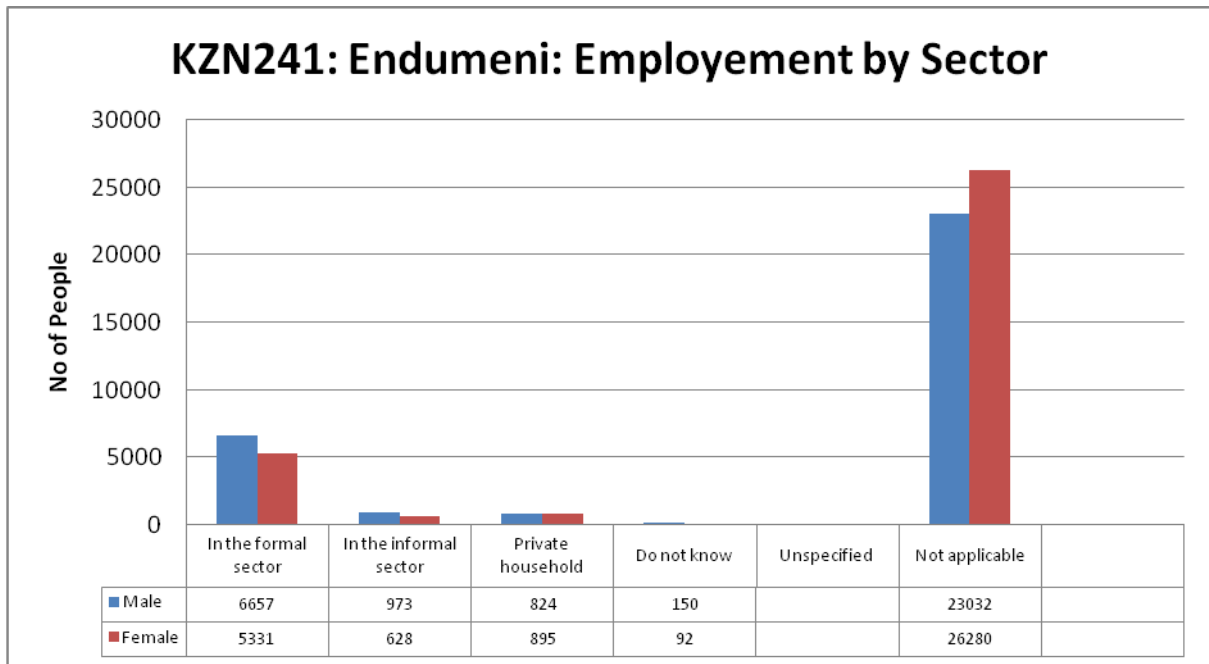
Graph 14: Employment Status

According to Statssa released results for 2011, at least 15 000 members of the work force are formally employed; while 2000 are discouraged and more than 18 000 are not economically active. This serves as a proof of poverty challenges facing the entire region.

5.4 Employment by Sector

The employment created by different sector has varied over a period of time. The economic history of Endumeni suggests that Agriculture and mining were once dominant in creating both business and employment opportunities. However, the current results indicate that household and services sectors are creating more jobs than some of the primary sectors. But clearly it is noted that formal sectors are not creating sufficient opportunities for local labour force. On the other hand, informal sectors are also attempting to provide opportunities to those who are waiting for better opportunities in the formal sector.

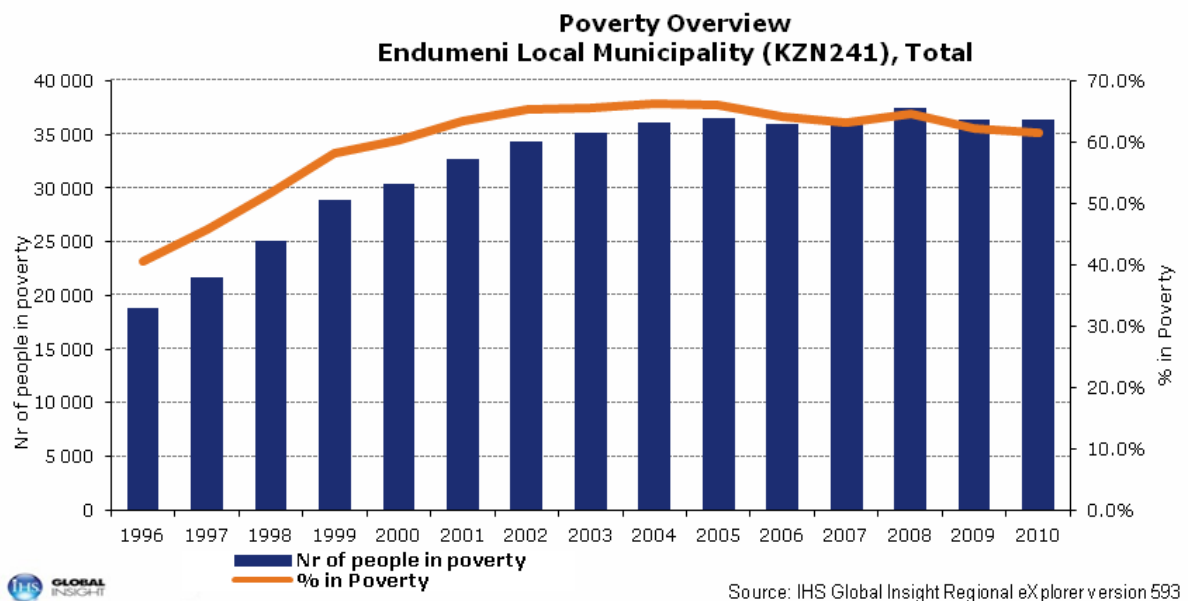
The reality of employment is indeed evident from this analysis that the municipality together with other stakeholders should create required job opportunities and business opportunities for local active economic individuals.



Graph 15: Employment by Sector

5.5 Poverty Overview

The overall poverty picture is that, more than 60% of the population are living under poverty.



5.6 Poverty Index

Number of People in Poverty

[Poverty](#) is defined as the state of one who lacks a usual or socially acceptable amount of money or material possessions. This variable indicates the number of people that lack the goods and services commonly taken for granted by members of mainstream society.

In terms of percentages, in 1996 40.7% of residents of the Endumeni lived in poverty, while in 2010 61.9% lived in poverty. This figure peaked at 66% in 2005. While the poverty rate is at 61% Africans are the most affected. At least 69.9% of Africans are languishing in poverty and as far back as 2005 the rate was at 78%. Again, this calls for strategic interventions that will speedily minimise the number of people in poverty.

Poverty Gap

The poverty gap can be defined as the amount of income that would be required to bring every poor person exactly up to the poverty line, thereby eliminating poverty. It can also be defined as the total income shortfall, expressed in proportion to the poverty line, of families with income below the poverty threshold, divided by the total number of families.

For the UDM this figure stood at R327 million in 1996, and rose to R1,037 million in 2009. This figure peaked in 2008. In case of Endumeni at least 47 million is required to bring all the residents currently below poverty line to the equilibrium level. This is the level where all affected will have 1 dollar per day.

Percentage Of People Living Below \$1 And \$2 Per DAY

In 1996 9% of the population of UMzinyathi lived below \$1 per day and 26.2% lived below \$2 per day. This figure improved to 0.4% living below \$1 per day and 10% below \$2 per day in 2010. The year 2002 saw the highest number of people living below \$1 per day (12%) and the highest number of people living below \$2 per day (33.8%).

In 1996 at least 4% of the population of Endumeni lived below \$1 per day and 12% below \$2 per day. However, there has been a noticeable improvement on these figures. Currently Global Insight reports that 0.4% live below \$1 per day and 11.5% below \$2 per day respectively.

Gini Coefficient

The Gini Coefficient is the most commonly used measure of inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

The Gini Coefficient for the UDM rose from 0.59 in 1996, to 0.61 in 2009, and peaked at 0.63 in 2003 and 2004. This indicates a relatively high level of inequality in the UDM society. The Gini coefficient for the UDM in 2009 was lower than the national average. On the other hand, the Gini Coefficient of Endumeni is reported to be 0.68 in 2010 while it was 0.57 in 1996. The inequality gap has increased in Endumeni living government with the challenge to narrow this unhealthy economic gap.

Human Deprivation Index

The Human Deprivation Index or HDI is a summary of human development and can be defined as a measure of multi-dimensional poverty. In 2004 it was estimated that the HDI for the UDM was the second lowest figure for DM's in KZN behind the uMkhanyakude DM.

The HDI for the UDM in 2009 was 0.36 which was lower than the national average of 0.56 for the same period. The HDI for Endumeni was 0.54 in 2010 and was standing at 0.56 in 1996.

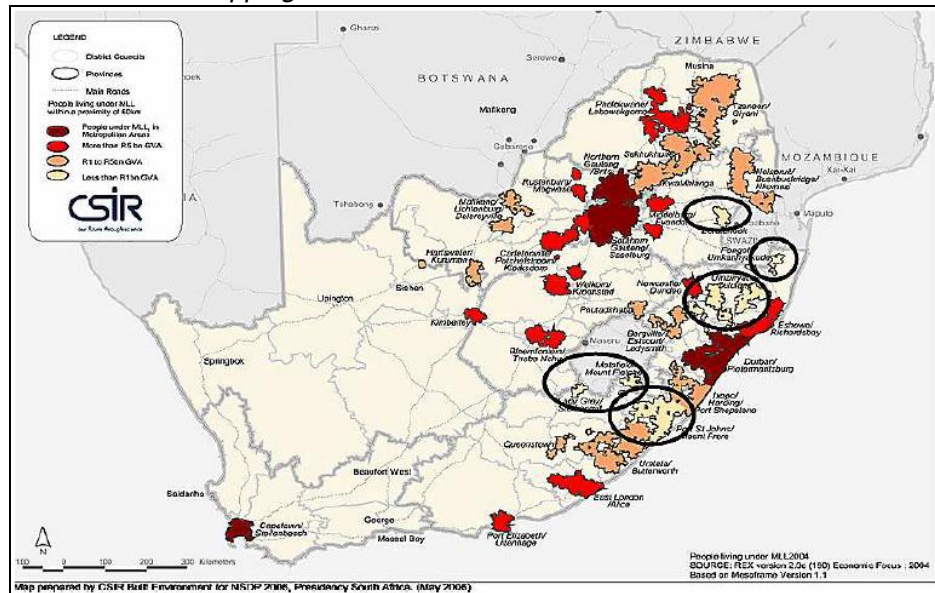
Minimum Level Of Living

The Minimum Level of Living (MLL) can be defined as the minimum financial requirements of members of a household to maintain an acceptable living standard, which is above the Poverty Line. Sufficient quantities of relevant expenditure items based on minimum health standards are allowed for when calculating the MLL, but rational expenditure on them is assumed. The MLL is measured in monetary value.

The following map was prepared by the CSIR (2004) and identifies communities in South Africa that are living in areas with low economic activity, low levels of

demonstrated economic potential, and with high numbers of people living below the MLL. As can be seen, the uMzinyathi DM is identified as one of these areas.

Map 1: Spatial economic mapping



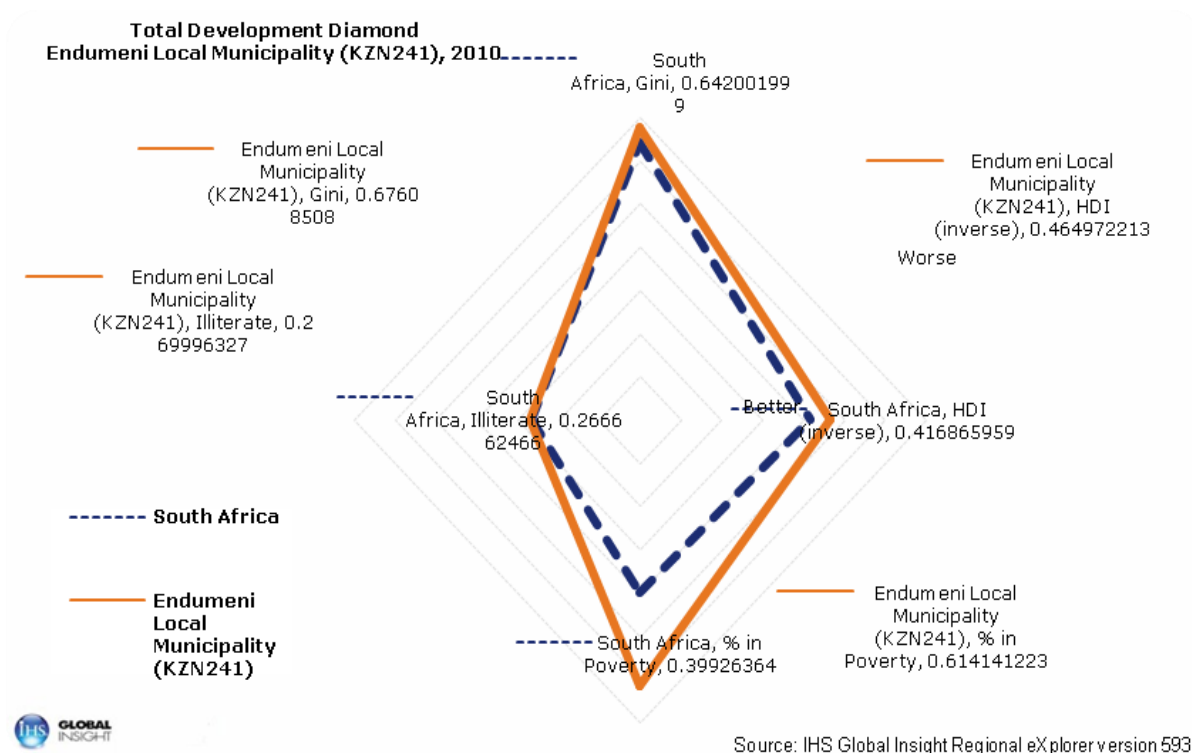
5.7 Multiple Deprivations

The KwaZulu-Natal Provincial Index of Multiple Deprivation (PIMD)(2001) identifies poverty levels per municipality at a ward level. In terms of how it was determined, the PIMD (2001) was constructed by combining the five transformed domain scores with equal weights. The five domain indices are as follows:

- Income and Material Deprivation;
- Employment Deprivation;
- Health Deprivation;
- Education Deprivation; and
- Living environment Deprivation

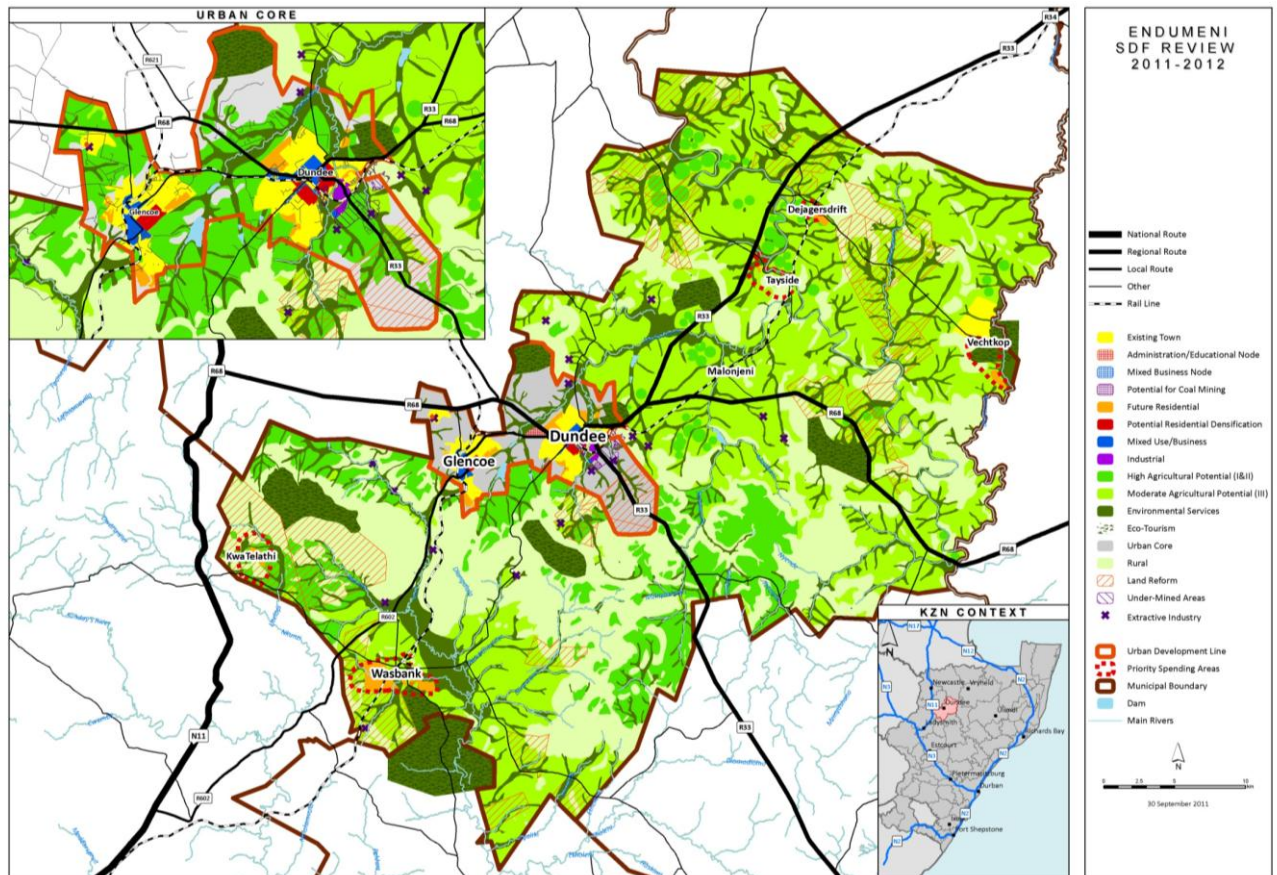
(a) Development Diamond

As indicated above, poverty is a multi-dimensional phenomenon. Global Insight has analysed it in terms of four broad variable namely the Gini Coefficient, the Human Deprivation Index (inverse), the percentage of people in poverty, and levels of illiteracy. These are summarised in the figure below and compared to the national average.



5.8 Potential Investment Areas

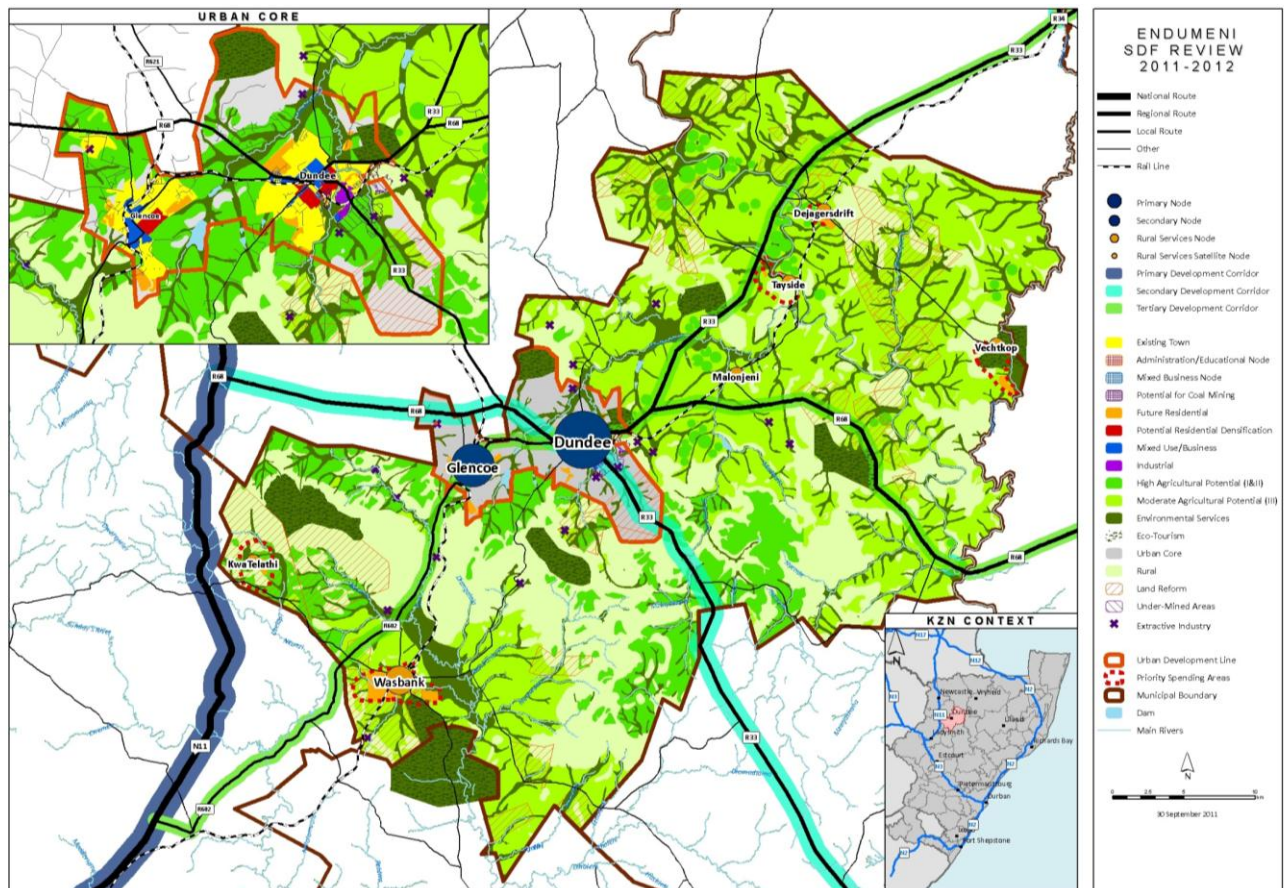
The map below presents various areas within the municipality as per SDF economic nodes that carry a potential for future investment. Undoubtedly the need exist for municipality to mobilize both private and public investment to indicate key nodes and investment areas. To this end, the key challenges facing is the lack of foreign and domestic investments that will stimulate growth and development in these municipal pockets.



Local Economic Development

Strengths	Weaknesses
150 ha of land for crop farming and livestock	Land given back to community for LED purposes is not fully utilised
Capacity building initiative/ skills development programmes, etc for the community	Unimplemented By-laws
Craft market	Operation and maintenance of the aerodrome establishment
Agri processing businesses; existing Abattoir,	No sustainability of LED projects once handed over to beneficiaries
Skills development related to agri-processing plants	Unavailable/ undeveloped LED infrastructure i.e. market stalls
Tourism , existence of govt institutions locally	Challenges in providing service delivery in LRAD Land
Biggest suppliers of livestock farming	Lack of LED capacity (management)
Availability of budget	Underutilization of Industrial Park
Suitable geographic area for tourism (Battlefields Route) Link to tourism above	Lack of proper infrastructure to support investments, e.g.: Mining Sector
Opportunities	Threats
Tourism plan to be compiled	Ignorance of approved by-laws
Attributes such as Battlefield Tourism Route to be fully explored	Limited or insufficient water, as a resource, to sustain agricultural purposes.
Involvement of other sectors of LED matters	Limited services to accommodate Dundee July event, e.g. electricity, access roads, parking demarcation, security, congestion etc.
Emerging farmers	
Skills development in agriculture	
Great investment interest from outside, e.g. cement manufacturing plants, etc.	
Existing land strip for economic purposes	
Formalization of boarding institution to regulate municipal rates.	

5.9 Social development analysis



5.9.1 Broad Based community Needs

The above map shows the nodal system of Endumeni Local Municipality and the areas of “priority shown are the areas where inadequate provision of social services is currently the highest.

The municipality through the process of the IDP public participation carried out the Community Based Planning methodology in order to get the priority needs/projects from each ward.

The purpose of the CBP: By the end of both classroom and practical planning candidates are knowledgeable on the aspects of CBP, its events and tools have successfully facilitation a ward planning and are able to document a ward plan.

The objectives were the following:

- ▶ Demonstrating an understanding of participatory planning methodologies
- ▶ Undertaking a participatory situation analysis
- ▶ Developing a community vision and prioritized outcomes
- ▶ Developing a plan for each of the prioritized outcomes
- ▶ Developing an action plan and monitoring mechanism for the ward committee

The 6 wards then generated the following priorities per ward:

WARD 1
PRIORITISED OUTCOME
Water & Sanitation
Roads
Electricity
Housing
Community Hall (Community Facilities)

WARD 2
PRIORITISED OUTCOME
Roads
Water
RDP Houses
Disaster Management
Clinic & Ambulance

WARD 3
PRIORITISED OUTCOME

WARD 4
PRIORITISED OUTCOME
Housing
Electricity
Job Creation
Crime
Water & Sanitation

WARD 5
PRIORITISED OUTCOME
Housing
Water
Education
Safety & Security
Clinic

WARD 6
PRIORITISED OUTCOME
Water & Sanitation
Clinics
Bridge
Roads
Tavern (Drug Abuse)

5.9.2 Youth Development

The Municipality has the responsibility of co-ordinating the development and promotion of youth development initiatives, establishment of youth desk and youth structures and implementation of procedures, reporting and upliftment of youth programmes.

5.9.3 Early Childhood Development

The Endumeni Municipality has the responsibility to take care of the children that are still attending the crèches. We give them support in terms of equipment (educational, recreational and sporting). We work hand in hand with the Department of Sport and Recreation, Social Development and Department of Education as the Non-Governmental Organisations that has the responsibility in ensuring that the Early Childhood Development programmes are implemented.

There is also a structure that is aiming at promoting and advocating a culture of children's rights through co-ordinating and effectively monitoring and evaluating the realization of the child's right to survival, development, protection and participation.

5.9.4 Local AIDS Council

The establishment of a Local Aids Council on the 23rd October 2008 greatly assisted in the Endumeni Council's endeavours in regard to having a unified approach which has become particularly evident in the planning of Endumeni Aids Awareness events.

The Endumeni Aids Awareness Events began in 2002 with one event held annually to coincide with World Aids Day. These commenced with the first two in Dundee and then circulated to Glencoe, Wasbank, Sibongile and Sithembile.

In 2008 however, the Endumeni Council decided that smaller events need to be held during the year to reach out to communities on the outskirts and rural areas of Endumeni. On an average, three events were held within a financial year.

The first of these events was held at Craigside in November 2008 and thereafter at the Bapaume School in March 2009, Telaphi Village in June 2009, Wasbank in October 2009, Stratford Village in May 2010, Mzomusha Informal Settlement in September 2010, Forrestdale in February 2011 and the last one at Craigside in October 2011. For 2012 it is planned to have events at Bapaume School in March 2012 and Telaphi in May 2012.

Ideal opportunities are created at these events for the Departments associated with the Local Aids Council and Local Task Team such as Health, Social Development, Home Affairs, Education etc to address the communities on the services they render and even in some cases provide a help desk to serve the community during the events.

The below table shows the **HIV / AIDS** events that have taken place during this financial year:

Event	Date	Venue
Integrated OSS Workshop	11 December 2012	Stratford Farm
HIV/AIDS awareness	29November 2012	Mzomusha - Sibongile t/ship
Public Services Voluntary Week	20 th of the 16-20 July 2012	Wasbank

6. Municipal Finance viability & Management analysis

6.1. Capability of the municipality to execute capital projects

MIG funding has been made available for the execution of capital projects. MIG grants have been completely spent in the past financial years. This indicates that the municipality is in a good position to execute capital projects in accordance with the conditions of the grants.

6.2 Indigent Support

The indigent policy is currently being reviewed, the municipality provides support to indigent households, for refuse rates and electricity based on set criteria and once the household is approved as indigent. There are currently 1819 indigent households.

6.3 Revenue enhancement and protection strategies

The challenge facing the Endumeni Municipality is to successfully turn around the current declining cash position and to build a sustainable municipality for the future, Revenue enhancement is a turn around strategy to address this challenge. The municipality has undertaken this in three phases; assessment, development of a strategy and implementation phases. Phase 1 has been completed and the municipality is busy with phase 2. It is envisaged that the municipality will be more sustainable after the implementation of the strategy.

6.4 Municipal Consumer Debt Position

The non-payment for municipal services adversely affects the cash flow situation. There is a significant loss of electricity revenue from theft of electricity and distribution losses. The highest rate of theft is in the Sitembile area 73.25%. 24% of the total electricity purchased in the prior year was lost due to theft. The situation cannot be left to continue. The bottom line is that if every consumer pays for the services he/she consumes Endumeni Municipality, the municipality will improve on service delivery, increase maintenance of existing infrastructure and the provision of additional amenities.

Ward councillors and members of ward committees must play a significant role in creating community awareness of the impact of the practices of theft and non-payment of rates and services and contribute to the accessibility to the areas by council's audit teams.

6.5 Grants and Subsidies

The transfers recognised operational is 21% of the budgeted revenue for 2013/14. This indicates that the municipality is not grant dependant.

Capital Conditional grants and subsidies are spent in accordance with the grant conditions. MIG grant had been completely spent in the 2011/12 financial year.

6.6 Municipal Infrastructure assets and maintenance

The municipality has budgeted 3% of its property, plant and equipment for maintenance and repairs. In the determination of the 3 % repairs and maintenance expenditure, labour and overhead costs were excluded. Labour and Transport costs were provided for under the relevant employee costs and

transport costs sub votes. Had these costs been included in the determination of repairs and maintenance costs, we may be closer to 8% norm.

6.7 Current and Planned Borrowings

The municipality has four existing DBSA loans for infrastructure. Borrowings contribute 9% of the total sources of funding for the 2013/14 financial year. The municipality is not heavily reliant on borrowings.

6.8 Employee related costs

Employee related costs are budgeted to increase by 6.1% in 2013/14 financial year. Vacancies do exist in certain sections; efforts are being made to ensure that the municipality is adequately capacitated to ensure service delivery.

6.9 Supply Chain Management

The SCM unit is functioning effectively, in that SCM policies are in place and procedures are followed. The vacancy of SCM manager still exists.

Municipal finance viability & Management analysis

Strengths	Weaknesses
3 year financial plan	IT internal Controls
3 year investment plan	Non-Centralisation of Supply Chain
Liquidity position of Council (at least 8 months)	Debt collection from government farms
Four (4) existing Loans	Revenue generation
GRAP compliant	Reliance on grants
89% of collection rate	SCM poor on turnaround time
Funding of grant in aid	Reporting submitted after prescribed periods (Sect. 71)
Fully compliant with MFMA/ Supply Chain Regulations	
Over R13 million debt collected on government offices	
Opportunities	Threats
Increase revenue	
Development of incentives Schemes in the next financial year	
Identification of Child Headed Households	

7. Good Governance & public participation analysis

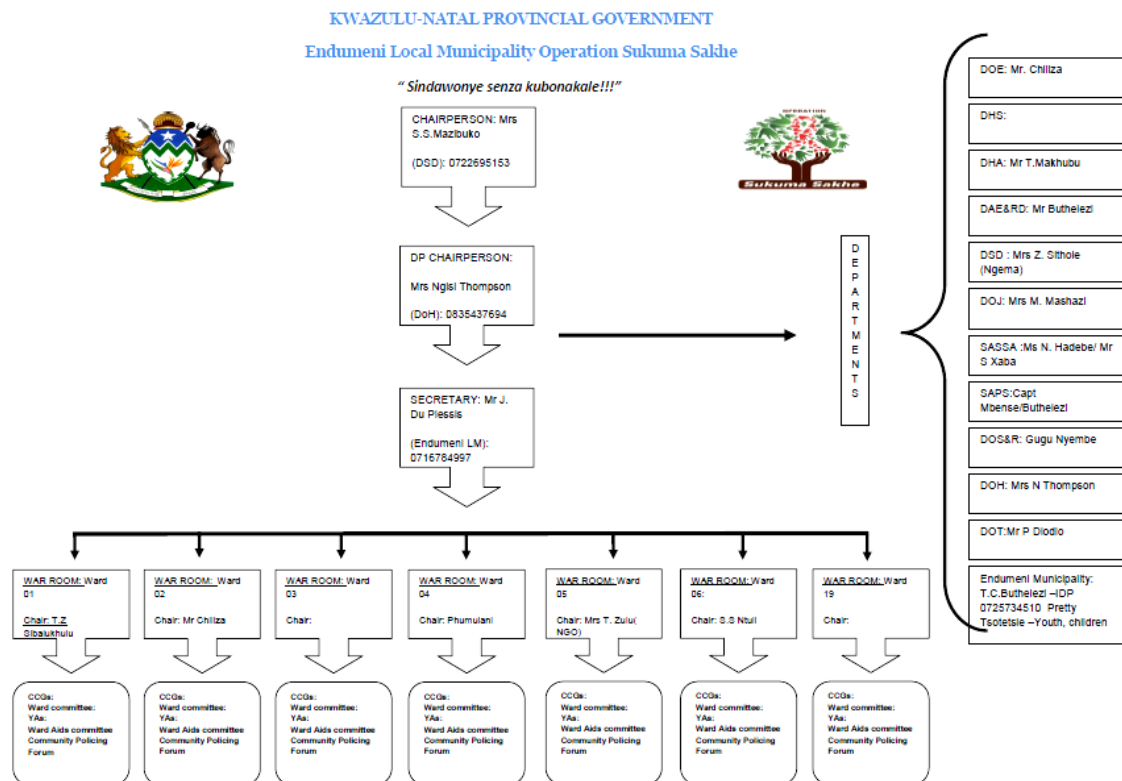
7 NATIONAL AND PROVINCIAL PROGRAMMES ROLLED-OUT AT MUNICIPAL LEVEL

7.1 FORMATION OF THE ENDUMENI LOCAL TASK TEAM: FLAGSHIP PROGRAMS

During May 2010, the Endumeni Local Task Team was formed with Mrs S S Mazibuko of The Department of Social Development - Dundee and Mr J A du Plessis of the Endumeni Local Municipality as the Secretariat of the Task team. At present there are 35 registered members consisting of Departmental Officials and other organisations. These members are basically also the members of the Endumeni Aids Council, the difference being that the Local Aids Council is chaired by the Mayor of Endumeni with relevant Councillors forming the Executive membership thereof.

The programs from the Office of the Premier administered by the Local Task Team were known as “Flagship Programs” but have recently been changed to “Operation Sukuma Sakhe”, meaning Rise up & Build. Although these programs are aimed at Poverty Alleviation they cannot be separated from HIV/AIDS infections as it is a well known fact that poverty leads to malnutrition which compromises the human immune systems.

The Local Task Team meets every first Thursday of the new month and the below figure shows its structure.



Integrated Development Plan (IDP) Alignment to Operation Sukuma Sakhe (OSS)

The Endumeni Local Municipality's together with the Endumeni Local Task Team under the banner of OSS decided to align their operations after the District OSS meeting held on the 27th September at Month Hall, Dundee. The below generated formula is yet to be presented to the District OSS Forum for adoption as it was also supported by the Local Task Teams of Nquthu and Msinga.

The following was agreed upon:

Backlogs

Backlogs are a shared burden of the municipality and sector departments, regardless of the profiling done at ward war room level. Therefore we should classify our eradicating programmes/projects according to immediate/ short term/ medium term and long term.

Therefore long & medium term programmes/projects should be those featured in the IDP and short term to immediate should be seen as "operational". Therefore to be reported on the IDP as past financial year activities of the OSS since they can be predicted or planned for.

Service Delivery

A Local Strategic Action Plan is therefore needed in order to action and monitor the work done under the banner of OSS. This will help in clearing the confusion in the Powers & Functions of the Municipality vs Sector Departments, and that of the two conflicting financial year structure.

Both Municipality and Departments are to generate projects by the end of November. Therefore OSS profiling and IDP "Ward to Ward" public engagements must be done in order to inform departmental projects/budgets before end of October

This will help the Local Strategic Action Plan to have financial commitments from the municipality and sector departments.

7.2 Intergovernmental Relations (IGR)

Endumeni Local Municipality does not have IGR personnel in place but however rely on the Communications Manager who took the work upon himself while he was Acting Municipal Manager. The Manager was part of the committee that saw the establishment of the following committees at District level:

- Mayors forum
- Municipal Managers Forum
- CFO's Forum
- Speakers Forum
- Etc

The above forums have been able to sort out intergovernmental issues at record time due to their functionality. One can then make an example out of the due payment contributions to the District for the functioning of the District's Development Planning Shared Services utilised by all LMs.

7.3 Municipal Structures

The Endumeni Municipality appoints representatives to its political structures and external bodies after completion of each municipal election and representations to such Committees and external bodies are listed as follows:

Labour Forum:	The Mayor, Cllr T M Mahaye Cllr Ms W N Mbatha	Cllr H S B Ngobese Cllr J A Mfeka
Staff Disciplinary:		Officials of Council
Staff Disciplinary Appeals:		Officials of Council
Tender:		Officials of Council
Local Economic Development Forum:	Cllr A M Raubenheimer Cllr N S Ntuli	Cllr M H Zwane
Employment Equity/Skills Development Forum:	Cllr Ms T I Makaba Cllr E M Adam	Cllr N S Ntuli Cllr T B Mkhize
SCOPA:	Cllr Ms W N Mbatha Cllr E M Adam Cllr H S B Ngobese	Cllr M H Zwane Cllr S W Dhlamini Cllr J A Mfeka
Assessing Committee for Municipal Manager:	The Mayor, Cllr T M Mahaye Mr N U Rajkumar; Name & designation of Ward Committee member nominated by Mayor Secretariat: Mr A J van Wyk	Cllr S W Dhlamini
Assessing Committee for Section 57 Managers reporting to Municipal Manager:	Municipal Manager Cllr T M Mahaye (Mayor) A Municipal Manager of another Municipality Mr M B H Nakooda	Chairperson: Audit Committee Secretariat: Mr A J van Wyk
Budget Steering Committee:	The Mayor, Cllr T M Mahaye Cllr Ms W N Mbatha Chief Financial Officer	Cllr A M Raubenheimer Municipal Manager Executive Manager Technical Services

Senior Financial Officer

Executive Manager Corporate Services

Endumeni Local Aids Council:

Cllr T M Mahaye (Mayor)
Cllr Ms T I Makaba

Cllr Ms W N Mbatha

Endumeni Local Municipality Bursary Committee:

Cllr M H Zwane
Cllr A M Raubenheimer

Cllr T B Mkhize
Cllr N S Ntuli

BODIES/INSTITUTIONS

KwaZulu-Natal Joint Municipal:	Representatives:	Cllr H S B Ngobese Cllr E M Adam
	Alternate:	Cllr M H Zwane Cllr N S Ntuli
SALA Pension Funds:	Representative:	Cllr T B Mkhize
	Alternate:	Cllr S W Dhlamini
Pension Fund (Councillors):	Representative:	Cllr T B Mkhize
	Alternate:	Cllr J A Mfeka
Kwanaloga:	Representatives:	The Mayor, Cllr T M Mahaye The Municipal Manager
	Alternate:	Cllr T B Mkhize (Deputy Mayor)
Dundee & District Agricultural Society:		Cllr Ms T I Makaba Cllr H S B Ngobese
Talana Museum/Endumeni Tourism Battlefields Route Committee:		
	Cllr S B Mdluli	Cllr N S Ntuli Cllr M H Zwane
KeyHealth Medical Scheme National Council for the Aged:		
	Representative:	Cllr E M Adam
	Alternate:	Cllr S B Mdluli
Kwanaloga Labour Relations:	Representative:	Cllr S B Mdluli
	Alternate:	Cllr J A Mfeka
Community Police Forum:	Cllr S W Dhlamini Cllr M H Zwane Cllr Ms T I Makaba	Wasbank Glencoe Dundee
Environmental Education Centre:	Cllr S W Dhlamini	Cllr Ms T I Makaba
Fire & Emergency Services Co-Ordinating Committee/Rural Metro		
	Cllr H S B Ngobese	Senior Manager: Safety & Security
Endumeni Disaster Management Portfolio Sub-Committee		
	The Mayor, Cllr T M Mahaye	Cllr Ms W N Mbatha

Cllr H S B Ngobese	Municipal Manager
Executive Manager Corporate Services	Chief Financial Officer
Senior Manager: Safety & Security	
Manager: Disaster Management	
Executive Manager Technical Services/IDP Manager	

PORTFOLIO COMMITTEES

Municipal Manager

Cllr A M Raubenheimer	Cllr H S B Ngobese	Cllr N S Ntuli
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Corporate Services

Cllr T B Mkhize	Cllr J A Mfeka	Cllr W N Mbatha
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Finance

The Mayor, Cllr T M Mahaye	Cllr W N Mbatha	Cllr A M Raubenheimer
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Technical Services

The Mayor, Cllr T M Mahaye	Cllr E M Adam	Cllr N S Ntuli
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IDP ORIENTATED STRUCTURES

Ward committees

Speaker, Cllr S Mdluli

IDP Rep forums

The Mayor, Cllr T M Mahaye

IDP Steering Committee

The Municipal Manager

District IDP/LED Technical Forum

District IDP Manager and LED Manager

7.4 ENDUMENI INTERNAL POLICIES

The following table indicates the stats of the Endumeni Municipality's Internal Plans and Policies:

Institutional Policies and Plans

POLICY/PLAN	STATUS	IMPLEMENTATION/ PROBLEMS OR CHALLENGES	RESPONSIBLE PERSON	TARGET DATE
Human Resource Placement Policy	Adopted	Implemented in first generation IDP phase. Placements completed	Executive Manager: Corporate Services	N/A
Recruitment and Selection Policy	Adopted	Senior Management appointments must reflect the demographics of Endumeni and be gender sensitive	Municipal Manager and All Heads of Departments	Ongoing
Employment Equity Plan	5-Year Plan adopted in 2009	Update Employment statistics submitted to Department of Labour by 1 October each year	Manager: Human Resource	October 2012
Workplace Skills Plan	Submitted on 30 June 2011	Workplace Skills Plan submitted to Department of Labour timeously by 30 June every year	Manager: Human Resource	June 2012
Skills Retention, Training and Career Pathing Policy	Adopted	Lack of implementation of training programme due to non-appointments of Human Resource Officer	Senior Manager: Corporate Services and Manager: Human Resources	October 2011

Performance Management System	Section 57 Employment contracts include performance management plans	Performance Management to be extended to other levels of staff	All Heads of Departments	June 2013
Job Classification and Grading	Job evaluations have been partially completed	To submit remainder of unevaluated posts to the Regional Job Evaluation Committee yet to be set up by the SALGBC	All Heads of Departments and Manager: Human Resource	June 2013
Remuneration Benefits	Negotiated at SALGBC	Unsuccessful salary negotiations results in strike action	Municipal Manager and All Heads of Departments	N/A
Conditions of Service	Negotiated by SALGBC	New agreement signed by member parties of SALGBC	N/A	N/A
Promotion, Demotion and Transfer Policy	Approved	Implementation on an ongoing basis	All Heads of Departments and Manager: Human Resources	Ongoing
HIV/Aids Education and Prevention Programme	Approved	HIV/Aids Council meeting convened regularly who direct and plan all HIV/Aids campaigns and programmes	Senior Manager: Health Services	June 2013

Succession Plan	Adopted	Succession Planning programme for existing staff not yet completed	Senior Manager: Corporate Services and Manager: Human Resources	June 2013
Sexual Harrassment Policy	Adopted	Delays in implementation of the charges must be expedited	Municipal Manager	Ongoing
Phone and Cell Phone Policy	Adopted	Implemented and monitored on a monthly basis	All Heads of Departments	Ongoing
Smoking Policy	Adopted	Adhered to	All Heads of Departments and Supervisors	Ongoing
Election of Spearker, Mayor and Exco Committee Members	Completed	Done after Local Government Elections and whenever office bearers are voted out of office	Municipal Manager	1 June 2011
Election of Ward Committee Members	Completed	The six ward committees have been established and meet on a regular basis	Municipal Manager and Communications Manager	December 2011
Portfolio Committees	Completed	4 Portfolio Committees established for: • Municipal Manager • Executive Manager: Corporate Services	Municipal Manager	June 2011

		• Executive Manager: Technical Services • Chief Financial Officer		
Audit Committee	Completed	Term of office of current Audit Committee to expire. To advertise and appoint new committee	Municipal Manager	July 2012
Integrated Development Plan	2 nd Generation completed	Currently compiling the 3 rd generation IDP	Executive Manager: Technical Services	June 2012
By-Laws and Regulations	In progress	Need to fast track and expedite the promulgation of outstanding By-Laws	Senior Manager: Legal & Estates	June 2014
Standing Rules of Order and Procedure	Revised and Adopted to meet Provincial Compliance	New Standing Rules of Order are in operation: Promulgated in 11 March 2011	Municipal Manager	Current
System and Delegation	Adopted	In operation	Municipal Manager	Current
IT Policy	Adopted	IT Governance issues are being addressed to ensure Audit compliance	Executive Manager: Corporate Services and Chief Financial Officer	June 2012

Declaration of Interest by Councillors & Officials	Completed	To be renewed annually	Municipal Manager	Annual renewal
Tariff Policy	Adopted	Tariff of Charges are being renewed annually in budget process	Chief Financial Officer	June 2012
Supply Chain management	Adopted	Expand on Supply Chain Management senior staff to enhance compliance with MFMA	Chief Financial Officer	June 2012
Fleet Management/ Council Vehicle Policy	Adopted	Compliance to be adhered to	Chief Financial Officer	Ongoing
Indigent Policy	Adopted	Renewal and revision annually	Chief Financial Officer	June 2012
Subsistence and Travelling Policy	Adopted	Revision as and when required	Chief Financial Officer	June 2012
Vehicle Use by Councillors	Adopted	Implemented	Municipal Manager	June 2012
Cash Management and Investment Policy	Adopted	Regular review of Investment performance	Chief Financial Officer	June 2012

Good Governance & public participation analysis

Strengths	Weakness
Public Participation	Inadequate communication
By-laws in place	Policies not always followed
Policies in place	ICT not fully operational
Structures	Internal Audit Section
	No official Communication Plan
Opportunities	Threats
IGR	Non-compliance leading to lawsuits
Public Private Partnerships	Failure to tap into existing expertise
	ICT hacking viruses
	Abuse of municipal equipment and property

D - Development Strategies



MOTTO

“TOGETHER IN PROSPERITY”

VISION

“ENDUMENI, BEING AT THE HEART OF THE KWAZULU-NATAL BATTLEFIELDS, STRIVES TO BE A DYNAMIC MUNICIPALITY PARTICIPATING WITH ITS ENTIRE PEOPLE FOR THE PROMOTION OF SUSTAINABLE AND HARMONIOUS DEVELOPMENT WITHIN ITS URBAN AND RURAL COMMUNITIES.”

Endumeni:

- **Strives:** strives to be the best in strategic development
- **Dynamic:** It's a community with rich history that has led to a dynamic community
- **Participating:** ensure public participation through a long tradition of reconciliation between our dynamic community
- **Sustainable:** Endumeni has ensure sustainable economies in various sectors contributing to a positive gross domestic product
- **Harmonious:** providing services in the best interest of all communities

MISSION STATEMENT

“To provide an effective and transparent system of good governance aimed at addressing the challenges of our municipality in a manner benefiting our core values;”

- **Effective:** to ensure effective services delivery in the shortest turn around time
- **Transparent:** to publicly account and participate the communities in all programs
- **Good governance:**

CORE VALUES

- **T**ransparency
- **H**umanism/ Ubuntu
- **E**nthusiasm;
- **R**esponsiveness;
- **E**xcellence;

CHALLENGES

These challenges extracted from Community Based Planning sessions that were carried out in 2013 through ward participation meetings and then agreed upon at the Strategic Planning Session:

- Clinics
- Roads
- Agriculture
- Skills
- Poverty
- Housing
- Electricity
- Job creation
- Crime
- Water & Sanitation
- Community Facilities

PRIORITIES

These priorities were extracted from ward meetings and agreed upon at the Strategic Planning Session:

- **EDUCATION**

Endumeni and the district as a whole have one of the highest levels of illiterate members of the community in the province. The focus is to establish strong literacy levels from early childhood education to tertiary. With Dundee already being the administrative hub of the district, focus is now channelled to establish Dundee as the hub for Skills Development through Amajuba FET.

- **EMPLOYMENT**

Endumeni and the district as a whole have one of the highest levels of unemployment in the province. It's now the Local Municipality's objectives to ensure that all strategies and programs are implemented as prescribed by the PGDS and other policies on creating jobs.

- **HUMAN SETTLEMENT**

Endumeni is to ensure that it creates human settlements that are densified and conducive to sustainable outcomes:

- Water and Sanitation

The shortage of water and sanitation needs to be effectively managed, pursuant to the provision of section 84 of Municipal Structures Act 117, of 1998. This is especially with all related projects having been blocked for the past 5 years.

- Housing

The provision of houses has been blocked because the Water and sanitation impasse labelled above for the past 5 years.

- Community Facilities

Existing municipal facilities have been out grown by the population growth and they have not been extended because of shortage of land in the locality. And new ones have not been built because of the memorandum by the water service provider for the past 5 years on new buildings.

- LED

Endumeni is to create conducive environments that enhance on local amenities for economic spin offs to take place in order to have a sustainable gross product.

- Tourism

To unlock business opportunities to the previously disadvantaged of the rich historical battlefields and other tourism spheres.

- Agriculture/Mining

Endumeni to ensure it avails its agricultural land to emerging farmers together with the necessary programs to ensure sustainable and productive use of land.

Endumeni to conduct an audit of mineral resources together with the department of mineral and energy affairs in order to promote mineral beneficiary.

- SMME's/Business

Endumeni is to ensure growth and development of small business through taking advantage of existing opportunities in economic active sectors.

- TRANSPORTATION

The rehabilitation of Provincial Roads within the Dundee CBD by means of initiative undertaken by KZN Department of Transport and Endumeni Municipality in order to rehabilitate requisite transportation infrastructure, contribute to the amenity of the town in order to further amplify the gross domestic product of the Endumeni area.

DEVELOPMENT STRATEGIES

KPA 1: BASIC SERVICE DELIVERY:

Facilitate Effective Infrastructure and Sustainable Service Delivery

This strategy focuses on facilitating the provision of new infrastructure and also the maintenance of existing infrastructure to ensure sustainable service delivery within the community.

Outcome: The first priority is to provide water and sanitation to the communities that currently do not have access at a minimum RDP standard of 25 litres per day per person within 200 metres walking distance. Sanitation target is to provide a VIP latrine per household.

The ultimate aim of the strategy is to reduce the water backlog which will be 33% (33217 households) by 8% (2618 households) and sanitation backlog which will be 18% (17772 households) by 21% (3800 households) for 2011/12 financial year through the implementation of MIG projects.

The outcome of this strategy is informed by:

- 2011/12 Water Services Development Plan;
- Back log study
- 2012/2013 Integrated Waste Management Plan
- Millennium Development Targets.

KPA 2: LOCAL ECONOMIC DEVELOPMENT

Promoting a vibrant and sustainable local economy

In the main the economic strategic thrusts of Endumeni seek to regenerate an already dwindled economy, thereby stimulate both private and public sector investments that will lead to creation of sustainable job opportunities.

Outcome:

The envisaged outcome will be a direct response to Special Economic Zone initiative that earmarked the development of the mining sector in KZN to occur in Endumeni. Undoubtedly, the outcome should result to increased and improved infrastructure investment at Endumeni area of jurisdiction.

Hence, we envisage the opening of new mining operations, diversification of agricultural products which includes meat processing and agri-process of locally produced crops. Furthermore, the revival of nodal towns of Glencoe through re-opening of mining sidings and full utilisation of railway facilities is on the cards as well as stimulating agricultural activity on land reform farms in and around Wasbank area.

In order to implement the economic strategic thrust of the municipality the main focus areas will be amongst other things concentrate on strengthening of institutional arrangements, development and support of SMMEs, strengthening partnerships with the mining sector role players and business chamber at large.

To this end, the major projects on the pipeline are as follows:

1. Opening of four new mining houses
2. Expansion of Miranda mines
3. Establishment of Orange Groove Cheese Factory
4. Expansion of Rock's Drift Hotel
5. Building of new Amajuba FET College

KPA 3: GOOD GOVERNANCE

The Endumeni Municipality logo “Together in Prosperity” was purposefully chosen to ensure that the municipality and all its residents work as a united force to meet their common goals. The Endumeni Municipality in 21 July 2005 sought to establish itself as a “Collective Executive with a Ward Participating System” by virtue of the promulgation made under Provincial Notice No. 1250 of 2005 which culminated with the obligatory establishment of 6 participating ward committees which are duly established after each local government elections are held. The ward committees are a statutory tool to enhance ward participation and involvement of the communities at large and in the day to day running of the municipality.

To further enhance the principles of good governance the establishment of an Audit Committee at Endumeni ensured that there are strict control measures and monitoring mechanisms undertaken at this municipality.

Good Governance at Endumeni is also dependent on strict adherence to the Councils Policies, Procedures, Codes of Conduct and the updating of the old By-Laws that were inherited from the old dispensation to new By-Laws more appropriate and suited to the demands of the contemporary local government.

The adoption of a consultative community participatory system entrenches the philosophy of democratic governance whereby the diverse communities of Endumeni are afforded ample opportunity to partake in the management of their own affairs. The political office bearers under the leadership of the Mayor have also embarked on a series of mass community meetings in all six wards to extrapolate the general needs of the Endumeni Community and thereafter merging them into the policies and core objectives of the Council.

KPA 4: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The Endumeni Municipality, since its inception in December 2000, had undergone a series of transformational and institutional development processes in order to bring about a change from the erstwhile Transitional Local Government Administration to the new dispensation. Much of the major transformational development was initiated in the first generation IDP process whereby the various transitional entities were amalgamated to form the new entity of the Endumeni Municipality. The organization was restructured in a manner so as to meet the demands of the area that Endumeni

municipality serves and all strategies, policies, procedures and work related processes were aligned in such a manner that the mandate given to the newly established Council can be satisfactorily met. The human resources at Endumeni are deemed to be adequate and efficiently managed which are guided by all labour related legislations, policies and procedures to ensure a stable workforce, without losing sight of the demands and challenges that were initially inherited in terms of the employment equity shortfalls.

Endumeni Local Turn Around Strategy

Endumeni Municipality Turnaround Strategy was developed in partnership with the KZN Department of Co-operative Governance and Traditional Affairs and refined during October 2011. Councillors, Administration, Ward Committees, Sector Departments, Business Community were part of the stakeholders that developed the Municipal Turnaround Strategy. Ten priorities were developed as part of the turnaround strategy.

As part of the monitoring process for the implementation of the above ten priorities through the turnaround strategy, quarterly reports are being prepared indicating progress made in reaching the targets, and subsequently submitted to the Department of Co-operative Governance and Traditional Affairs.

Please refer to Appendices'K1 "Institutional Plan" for the following: Institutional Transformation and Organizational Development; Institutional Plan and Organograms.

KPA 5 FINANCIAL VIABILITY

Promote Sound Financial Management

Compliance with the requirements of the MFMA ensures sound financial management and compilation of funded budgets as per budget regulations enhances financial sustainability which also ensures alignment with the IDP.

OUTCOME: Increase collection of rates and service income, timeous utilization of annual grant funding, payment of creditors within 30 days, enhance debt management process, liquidity ratio improvement, and write off of irrecoverable debts.

The outcome of the strategy is informed by:

- Debt collection and Credit Control Policy
- Indigent Policy
- Tariff Policy
- SDBIP
- Financial Plan
- Cash Management and Investment Policy
- Supply Chain Management Policy
- Asset Management Policy
- Provision for Doubtful Debts Policy

E - FINANCIAL PLAN



ENDUMENI MUNICIPALITY

FINANCIAL PLAN 2013/2014 – 2017/2018

1. Introduction

The Endumeni Municipality has a challenging task of carrying out its mandate of facilitating development, managing competing priorities within budgetary constraints and delivering the numerous projects identified by the community in the IDP.

The Endumeni Municipality has recognised that to be successful the IDP must be linked to a workable financial plan, which includes a multi-year budget developed using financial modelling. Furthermore, it was recognised that without the financial plan, the IDP would be incomplete. The Municipal Finance Management Act No. 56 of 2003 (MFMA) requires the municipality to take into account the IDP during the budget preparation process. It further requires the municipality to take all reasonable steps to ensure the municipality revises the IDP in terms of Section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years.

Consequently the IDP process has been extended to include the financial plan in this section of the IDP. The financial plan is set out as follows:

- Financial strategies for the 5 year period
- Financial issues
- Detailed 5 year financial action plan
- Capital and investment program
- Multi-year budgets

In addition to other strategies identified the Council is embarking on implementing a turnaround strategy and have identified the following key focus areas:

1. Compile a System of written Delegations in terms of Section 79 and 82 of MFMA (Act 56 of 2003)
2. Develop a Revenue Enhancement Strategy and Policy and implementation thereof
3. Capacitating and training of relevant Finance Staff in:
 - Annual Financial Statements
 - SDBIP
 - Budgets
 - Asset Management
 - GRAP Reporting
 - GRAP Compliance
 - Risk Assessment
4. Develop and implement a Communication Strategy

The details of these strategies are outlined in the financial action plan that follows this section.

2. Financial Strategies

The financial strategies adopted by Council include a general strategy which will apply to the detailed strategies, a financial resources (capital and operational) strategy, revenue raising strategy, asset management strategy, capital financing strategy, operational financing strategy and cost effectiveness strategy. These strategies have been incorporated into a detailed financial action plan that follows this section. More details of the aforementioned strategies are set out below.

2.1. General:

2.1.1. Social responsibility

All aspects of matters relating to financial matters will take cognisance of council's social responsibility. These include Council's indigent policy and recognising that certain sections of the community do not have to pay for these services. A further aspect of social responsibility will focus on transformation and empowerment, for example in Council's procurement policy.

2.1.2. Engendering investor and consumer confidence

Council main aim is to increase investor and consumer confidence by building on the sound financial base. This will include developing sufficient reserves and limiting risks by ensuring that major contracts are awarded to "blue chip" partners and suppliers. At the same time Council must take cognisance of its social responsibilities and will only enter into agreements with partners and suppliers who can demonstrate a significant and continuing contribution to the empowerment of previously disadvantaged communities.

It is envisaged that an alliance with "blue chip" partners and suppliers will in the long term contribute to the betterment of the community through investment and increased employment opportunities. Although preference on major contracts will be given to "blue chip" partners and suppliers, Council will at the same time seek to improve the fortunes of the community by awarding affordable smaller contracts to businesses and individuals' resident or operating within the jurisdiction of the Endumeni Municipality. In order to limit risk, Council reserves the right to have due diligence reviews conducted in respect of any new partners, institutions or suppliers, including major suppliers. Recognising that smaller contractors might have difficulty in securing lines of credit, Council will investigate mechanisms to assist these contractors without placing the Council at risk. One such method will be the direct payment to suppliers of the contractors via cession documents, such payments being limited to the amounts which the emerging contractors owe the suppliers.

An important factor considered by investors in relocating to an area is the ability of the authorities to demonstrate financial discipline, adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally accepted accounting practices and unqualified audit reports. It is intended that the business plan of the finance department will address these factors. In order for the finance department to deliver on these strategies, it is Council's intention to clearly define accounting policies and recruit the best finance people for that department. To this end, Council will define recruitment policy for finance staff, put in place a pre- and continuing education policy and develop career progression paths for designated finance staff. Like the IDP the financial action plan will be subject to a regular review and comparison of actual performance to predetermined performance measures.

2.1.3. Financial Resources

For the purposes of this plan, Council has considered financial resources for both capital projects and operational purposes. The various resources available to Council are summarised below.

Capital expenditure:

- External borrowings
- Grant funding from both National and Provincial government
- International funding
- Twin city funding
- Ring fenced statutory funds – housing
- Capital market
- Public/ private partnerships
- Disposal of un-utilised assets

Operational expenditure:

- Normal revenue streams
- Short term borrowings:

2.1.4. Revenue raising

The Endumeni Municipality's significant sources of revenue are: rates, electricity, refuse and grants. The contribution of the various streams to revenue will be subject to review. Whilst the issue of tariffs forms part of this financial plan, it is anticipated that the affected departments will be responsible for investigatory work.

2.1.5. Asset management

It is important to maintain a regular inventory of property, plant and equipment, implementation of a maintenance programme review and insurance cover. This part of the plan will be extended to assist in identifying and listing unutilised/ uneconomic assets with a view to disposal as previously indicated. Although directly related to revenue raising it is appropriate to include the monitoring of rental income and policies with the asset management programme. This aspect of asset management will ensure that Council is receiving economic rentals from Council owned land and buildings which are rented out.

Housing is a specialised field and will be considered separately from this financial plan.

2.1.6. Financial management

The Endumeni Municipality has a strong finance department and has established an external audit committee responsible for monitoring financial and other controls. In addition, Council is committed to sound financial management and the maintenance of a healthy economic base. Although the statutory requirement for the contribution to statutory funds has disappeared, Council will put in place policies, which will maintain sufficient contributions to similar funds established in terms of GRAP. Financial management policies and procedures for the entire municipality will be implemented.

In addition, financial management systems and procedures will be reviewed to incorporate the following:

- Budgeting methods
- Cash forecasts and cash flow monitoring against forecasts
- Credit policies with emphasis on minimum debtors
- Credit risk management
- Investment policies
- Management reporting
- Supply chain policies
- Stock levels for consumer stores
- Supplier payment periods
- Supplier selection and monitoring procedures

Municipal staff will be encouraged to adhere to value for money principles in carrying out their functions. To assist finance staff achieve efficiencies in their daily tasks a performance review incorporating time and motion studies will be conducted on all functions. It is expected that this review will promote efficiencies in the finance department. Council has adopted a zero tolerance approach in respect of both internal and external audit reports and measures will be implemented to ensure that any material or fundamental issues are addressed immediately. It is expected that the internal audit function will raise any material or fundamental issues before external audit. Other issues arising will be prioritised and addressed accordingly.

Council recognises the need to maintain a positive cash flow at all times and will be investigating various avenues to improve cash flow. Strong positive cash flow will result in additional revenue in the form of interest earned.

2.1.7. Capital financing

When determining appropriate sources of funding it is important to assess the nature of projects, expected revenue streams and time frames for repayment. As a general guide, the following principles will apply:

- Statutory funds for fund specific projects (e.g. housing)
- National and provincial government funding for medium term and long term projects
- International funding for medium and long term projects
- External borrowings for long term revenue generating and strategic projects

2.1.8. Operational financing

Council's policy is to fund operating expenses from normal revenue streams with short term funding being used as a last resort. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings.

It is Council's intention to maintain a strong economic base by bringing in good working capital management including the setting aside of adequate provisions for working capital. It is anticipated that these reserves will be based on the same principles as currently apply to existing statutory funds in that the respective reserves will be cash backed.

2.1.9. Cost effectiveness

In any organisation it is necessary to strive for cost effectiveness. It is Council's intention to develop outsourcing policies and review all non-core services with a view to outsourcing or alternate service delivery. The effectiveness of departments and services provided by the departments will be subject to value for money reviews. It is expected that these reviews will achieve cost savings. The concept of shared service centres is being investigated with the objectives of seeking to obtain savings where services could be provided to a number of municipalities and possibly entities in the private sector.

DETAILED FINANCIAL ACTION PLAN

1. The financial action plan identifies the most feasible strategies to increase efficiency and cost effectiveness within the Municipality.
2. The financial action plan incorporates strategies covering a period of 5 years.
3. The implementation of the financial action plan requires a team effort. A team approach requires the involvement of the Council, Municipal Manager, Chief Financial Officer and all Heads of Departments in implementing these strategies.
4. It is crucial that individuals to whom the responsibilities have been allocated according to the action plan be held accountable for the outcome of these actions.
5. The progress made towards achieving these strategies should be measurable and it is essential that these strategies be included in the performance appraisals of individuals.

Financial Issues – Endumeni Local Municipality

The key financial issues affecting the Endumeni Local Municipality are listed below.

1. The total debt and the current debt are increasing per annum.
2. The tampering of meters and theft of electricity is a major concern for the municipality.
3. There is insufficient provision for doubtful debts.
4. Training and capacitating of Finance staff is required.
5. Accurate and timely cash flow management and monitoring is required.
6. Financial reporting by the EM needs to be streamlined in line with GRAP.
7. The strategies emanating from the revenue enhancement programme that is currently being undertaken will have to be implemented.

FINANCIAL STRATEGIES AND ACTIONPLAN – 2013/2014 TO 2017/2018

FINANCIAL STRATEGIES	REDUCE COSTS	INCREASE REVENUE	ACTION REQUIRED	By whom	2013/14	2014/15	2015/16	2016/17	2017/18
Capital financing strategy	Reduce capital charges on external loans		- Identify, establish, maintain and update database of all grant funders - Approach prospective funders with IDP and Financial plan for funding	CFO	2%	2%	2%	1%	1%
Asset management strategy	Reduce rental stock		- Determine market value of houses - Dispose of rental housing stock - Update the asset register.	CFO	100%				
Financial management	Improve financial management	Improve financial management	- Review the policy on the use of telephones - Monitor and control the use of electricity by residents living in hostels - Review all financial policies and procedures as per GRAP and document flow - Determine operational costs of new capital projects	CFO	5%	5%	5%	5%	5%

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2013/14	2014/15	2015/16	2016/17	2017/18
			• Implement new PABX system • Increase the provision for doubtful debts. • Make adequate provision for leave. • Implement controls for overtime • Implement a fraud prevention plan • Implement the revenue enhancement strategies to address the growing debt problem.						
Rates & Tariffs		Restructure rating and service charges	• Implement rating and service charges that are affordable to all households • Implement existing rating and service charges of industries and farms • Establish Land Use Management System (LUMS) and conduct a	CFO	4%	4%	5%	5%	6%

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2013/14	2014/15	2015/16	2016/17	2017/18
			land audit						
Credit control & debt collection		Improve debt collection and collect arrear debt	• Conduct a debt awareness campaign with councillors, staff and community • Implement debt collection strategies	CFO	15%	15%	15%	15%	15%
Cost Effectiveness	Conduct a cost benefit analysis of functions		• Conduct cost benefit analysis of all services • Freeze all non essential posts • Reduce the Expenditure on Salaries from 39.31% of budget to 33% which is the industry norm • Establish convenient pay points for electricity • Establish a shared service	CFO	2%	2%	2%	1%	1%

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2013/14	2014/15	2015/16	2016/17	2017/18
			centre with other municipalities for billing Establish a consumer help desk						
Implement a turnaround strategy		Develop and implement revenue enhancement strategy	- Prioritise revenue enhancement strategies - Compile roll out and implementation plan	CFO					
		Develop and implement revenue management policies	Implement revenue enhancement strategies	CFO					
		Reduce tampering and theft of electricity	- Perform meter audits to identify tampering - Implement punitive measures against offenders	CFO					
		Build capacity in finance departments	Capacitate and train relevant Finance Staff in: - Financial Statements - SDBIP - Budgets - Asset Management - GRAP Reporting	CFO					

<i>FINANCIAL STRATEGIES</i>	<i>REDUCE COSTS</i>	<i>INCREASE REVENUE</i>	<i>ACTION REQUIRED</i>	<i>By whom</i>	2013/14	2014/15	2015/16	2016/17	2017/18
			• GRAP Compliance • Risk Assessment						
		Develop and implement a communication strategy	• Secure funding from National Treasury • Call for public tenders • Appoint service provider	Director Planning					
		Compile a System of written Delegations in terms of Section 79 and 82 of MFMA (Act 56 of 2003)	• The municipality will develop the delegations in-house	CFO					

CAPITAL AND INVESTMENT PROGRAMMES

The capital and investment programmes are set on page ____ of the main IDP document.

MULTIYEAR BUDGET (Financial Projections)

Financial projections have been developed using a financial model developed for the Endumeni Municipality. A summary of the financial modeling process and assumptions produced by management are set out below:

Financial Projections

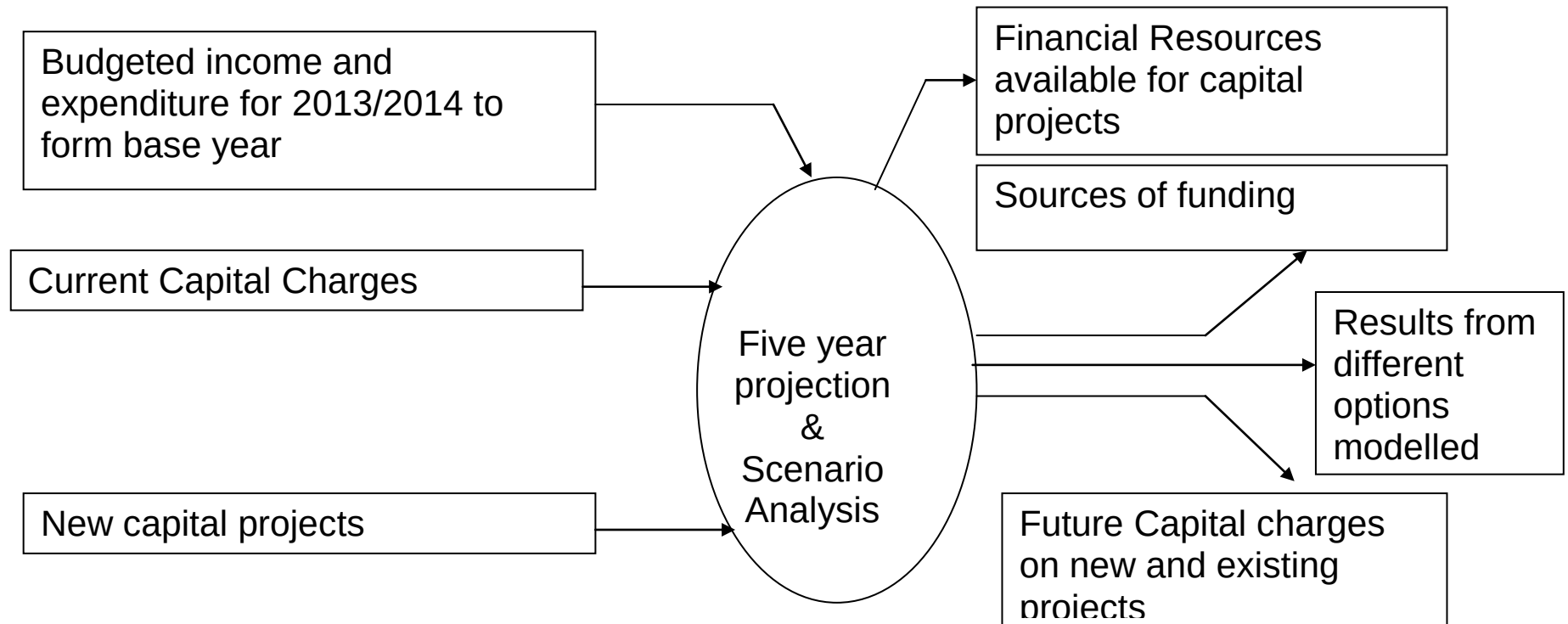
- The financial projections are based on a financial model developed for the Endumeni Municipality
- The model is used to assess the financial feasibility of those capital projects outlined in the IDP
- The financial model is dependant on the 2013/14 operating budget and the two years forecasted budgets,
- The critical financial inputs are existing loans, new loans, sources of funding, costs and terms of borrowing
- The critical outputs as illustrated in (figure 1a) are:
 - Two scenarios
 - a) The Status quo
 - b) Scenario 1: Implementation of the financial strategies for a period of 5 years
 - Each scenario includes:
 - a) A five year projection of the operating and capital budget reflecting the projected revenue increases
 - Financial resources required for capital projects

Assumptions

The following assumptions were made when developing the model based on information provided by the Chief Financial Officer:

- Inflation for the period 2013/2014 to 2017/18 is based on the Financial Sectors forecasts
- Revenue amounts included assume a 80% collection rate
- External interest rate depends on various institutions
 - a) As a result of the substantial capital requirements required to implement the IDP projects external borrowing of loans is not affordable.
 - b) The implementation of the IDP creates a need for funds for operational expenditure the future impact of which has been considered.
- In scenario 1: Implementation of the financial strategies
 - a) The positive impact of implementing the financial strategies is reflected.
 - b) The projected surplus as a result of implementing the strategies may be used to raise external loans to deliver some of the projects in the IDP.

- c) The implementation of the financial strategies will have the following effect on the financial position of the municipality:
- Restructuring of the rates base will increase income over the next 5 years
 - Outstanding debt will be reduced by 50% over the next 5 years
 - The salaries budget will be maintained at approximately 30% of expenditure.
 - Improved financial management will result in reduced expenditure of 5% per annum over the next 5 years.
 - Capital charges will be reduced at 1% per annum
 - Housing stock will be sold off over the next 1 year.
 - Interest income is calculated on collection of outstanding debt annually
- The Municipality will have to source grant funding for the remainder of the projects listed in the IDP as a result of shortage of funds



Budget Projections - Status Quo					
Budget	2013/14	2014/15	2015/16	2016/17	2017/18
Expenditure	R	R	R	R	R
Salaries & wages	75,626,096	81,416,903	86,215,910	88,802,387	94,130,531
General expenditure	140,925,608	144,517,105	156,634,911	159,767,609	166,158,314
Repairs and maintenance	6,701,182	6,337,770	6,742,875	6,810,304	6,946,510
Capital charges	1,251,920	1,028,261	802,512	810,537	826,748
Contribution to provisions	11,473,521	16,742,479	19,616,444	20,204,937	21,417,234
Capital employed	-	-	-	-	-
Contra debits	13,010,480	14,578,930	16,311,540	16,800,886	17,808,939
Contra credits	-13,976,716	-14,691,891	-15,331,438	-15,791,381	-16,738,864
Project operating costs	-	-	-	-	-
Total expenditure	235,012,091	249,929,557	270,992,754	277,405,280	290,549,411
Income					
Equitable share	34,084,000	37,113,000	41,381,000	42,208,620	43,474,879
Grants & subsidies	24,924,001	20,271,001	17,627,001	18,155,811	18,882,043
Assessment rates	63,867,805	67,384,366	71,108,788	73,242,052	76,904,154
Electricity	77,839,957	80,597,962	89,121,519	92,686,380	98,247,563
Refuse removal	18,894,297	19,970,201	21,368,044	21,795,405	22,667,221
Cemeteries	124,100	125,350	127,650	128,927	131,505
Licensing	1,350,000	1,380,000	1,430,000	1,444,300	1,473,186
Traffic fines	312,000	322,500	337,500	340,875	347,693
Testing grounds	2,372,020	2,423,870	2,466,600	2,515,932	2,616,569
Rentals	983,198	771,748	775,998	783,758	799,433
Other	19,506,986	18,938,035	24,013,226	24,973,755	26,721,918
Total Income	244,258,364	249,298,033	269,757,326	278,275,814	292,266,164
Surplus/(Deficit)	9,246,273	-631,524	-1,235,428	870,534	1,716,753
Tariff Ratio	3.79%	-0.25%	-0.46%	0.31%	0.59%

The table above reflects the current financial situation of the municipality excluding the impact of the IDP projects.

- Inflationary increases of approximately 5% have been considered in projecting the future year's expenditure.

Financial Strategy – Operating Budget

Budget Projections - Implementation of The Financial Strategies					
Budget	2013/14	2014/15	2015/16	2016/17	2017/18
Expenditure	R	R	R	R	R
Salaries & wages	75,626,096	80,163,662	89,783,301	105,046,462	128,156,684
General expenditure	140,925,608	145,153,376	153,862,579	166,171,585	182,788,744
Repairs and maintenance	6,701,182	6,835,206	7,108,614	7,606,217	8,366,839
Capital charges	1,251,920	1,026,574	615,945	375,726	232,950
Contribution to provisions	11,473,521	12,620,873	15,145,048	18,931,310	24,610,703
Capital employed	-	-	-	-	-
Contra debits	13,010,480	14,571,738	18,068,955	24,573,778	36,369,192
Contra credits	-13,976,716	-14,675,552	-15,996,351	-18,235,841	-21,700,650
Project operating costs	-	-	-	-	-
Total expenditure	235,012,091	245,695,877	268,588,089	304,469,238	358,824,461
Income					
Equitable share	34,084,000	37,113,000	41,381,000	44,691,480	51,842,117
Grants & subsidies	24,924,001	20,188,441	17,160,175	16,302,166	17,117,274
Assessment rates	63,867,805	67,699,873	75,823,858	89,472,153	110,945,469
Electricity	77,839,957	81,731,955	89,905,150	105,189,026	130,434,392
Refuse removal	18,894,297	20,027,955	22,431,309	26,468,945	32,821,492
Cemeteries	124,100	126,582	131,645	138,228	146,521
Licencing	1,350,000	1,377,000	1,432,080	1,503,684	1,593,905
Traffic fines	312,000	324,480	350,438	381,978	420,176
Testing grounds	2,372,020	2,419,460	2,516,239	2,667,213	2,880,590
Rentals	983,198	806,222	669,165	562,098	477,783
Other	19,506,986	20,287,265	21,910,247	24,539,476	28,220,398
Total Income	244,258,364	252,102,234	273,711,306	311,916,447	376,900,118
Surplus/(Deficit)	9,246,273	6,406,357	5,123,217	7,447,209	18,075,657
Tariff Ratio	3.79%	2.54%	1.87%	2.39%	4.80%

The effect of implementing the financial strategies is shown in the Table above.

ANNEXURE A
Three Year Capital Implementation Plan

Table 1: Total Municipal Operating Income (2009/2010 – 2015/2016)

Year		Grants and Subsidies	Tariffs, Service Charges etc	Total
2009/2010	Actual	R 29,487,137	R 116,418,925	R 145,906,062
2010/2011	Actual	R 37,673,991	R 135,298,355	R 172,972,346
2011/2012	Actual	R 41,543,257	R 148,148,493	R 189,691,750
2012/2013	Full Year Forecast	R 49,173,278	R 158,175,363	R 207,348,641
2013/2014	Budget	R59,008,001	R 185,250,363	R 244,258,364
2014/2015	Forecast Budget	R 57,384,001	R 191,914,032	R249,298,033
2015/2016	Forecast Budget	R 62,695,000	R 207,062,326	R269,757,326

Table 2: Grants and Subsidies Budgeted (Including Operating and Capital Grants)

Name of organ of state	Grant Name	2013/14 (Budget)	2014/15 (Budget)	2015/16 (Budget)
National Government	Equitable Share	R 34,084,000	R 37,113,000	R 41,381,000
	Subsidy NPA	R 343,000	R 362,000	R 380,000
	MIG	R 13,311,000	R 14,391,000	R 15,135,000
National Treasury	Local Government Financial Management Grant	R 1,550,000	R 1,600,000	R 1,650,000
Provincial Government	Municipal Systems Improvement Programme Grant	R 890,000	R 934,000	R 967,000
	Libraries	R 2,830,000	R 2,984,000	R 3,123,000
	DOH	R 5,151,385	R 0	R 0
	Other	R 21,408,000	R 16,563,000	R 17,431,000
TOTAL		R 79,567,385	R 73,947,000	R 80,067,000

Table 3: Operating Income

	2012/13 (Actual Forecast)	2013/14 (Budget)	2014/15 (Budget)	2015/16 (Budget)
Rates & General	53,148,234.00	63,867,805.00	67,384,366.00	71,108,788.00
Refuse	17,059,074.00	18,894,297.00	19,970,201.00	21,368,044.00
Housing Services	343,454.00	331,875.00	312,575.00	312,575.00
Town Treasurer	3,573,000.00	3,739,462.00	3,843,462.00	4,047,962.00
Electricity Services	84,013,811.00	96,686,608.00	101,329,278.00	111,925,967.00
Town Engineer	12,632,500.00	14,511,000.00	14,591,750.00	15,400,700.00
Other	36,578,568.00	46,227,317.00	41,866,401.00	45,593,290.00
TOTAL	207,348,641.00	244,258,364	249,298,033.00	269,757,326.00

Table 4: Operating and Capital Expenditure

	2012/13 (Actual Forecast)	2013/14 (Budget)	2014/15 (Budget)	2015/16 (Budget)
Salaries and Allowances	72,299,050	75,626,096	81,416,903	86,215,910
General Expenditure	122,934,487	140,925,608	144,517,105	156,634,911
Repairs & Maintenance	6,053,553	6,701,182	6,337,770	6,742,875
Capital Charges	1,727,594	1,251,920	1,028,261	802,512
Contribution to provisions	7,598,371	11,473,521	16,742,479	19,616,444
Contra Credits	(12,863,429)	(13,976,716)	(14,691,891)	(15,331,438)
Contra Debits	11,898,683	13,010,480	14,578,930	16,311,540
Capital Expenditure (excluding ex revenue)	14,134,000	21,662,385	17,001,000	15,835,000
TOTAL	223,782,309	256,674,476	266,930,557	286,827,754

Table 5: Operating Expenditure - Contributions to assets

	2012/13 <i>(Actual Forecast)</i>	2013/14 (Budget)	2014/15 (Budget)	2015/16 (Budget)
Land				
Building				
Roads & Stormwater				
Other Infrastructure	R 784,666	R 453,098	R 493,877	R 538,326
Other fixed assets				
TOTAL	R 784,666	R 543,098	R 493,877	R 538,326

Table 6: External Loans

Type of Loan	Interest rate	30 June 2010 <i>(Actual)</i>	30 June 2011 <i>(Actual)</i>	30 June 2012 <i>(Actual)</i>
Local Registered Stock	between 9.0% to 16.9%	R 3,915,200	R 15,200	R 7,200
Annuity Loans	between 6.75% to 17%	R15,065,280	R13,727,209	R12,364,722
TOTAL		R 18,980,480	R 13,742,409	R 12,371,922

Table 7: Assets & Liabilities

Description	2009/2010 (Actual)	2010/2011 (Actual)	2011/2012 (Actual)
Net fixed assets	R 129,011,411	R 142,383,188	R 141,150,614
Long Term Investments	R 7,061,259	R 11,887,166	R 11,879,166
Long Term Debtors	R 1,357,972	R 485,392	R 476,072
Current assets & liabilities			
Current assets	R 63,315,435	R 56,859,255	R 66,860,173
Stock	R 21,961,545	R 3,521,657	R 3,121,731
Debtors	R 23,871,792	R 28,587,541	R 16,925,473
Cash	R 4,713,519	R 1,356,155	R 952 457
Investments	R 12,664,692	R 23,293,714	R 45,778,810
Current portion of receivables	R 103,887	R 100,188	R 81,702
Current liabilities	R 40,609,042	R 32,871,140	R 42,222,281
Creditors	R 27,723,574	R 22,869,602	R 27,010,685

Consumer deposits	R2,335,909	R2,428,842	R2,907,322
Unspent grants	R 5,102,618	R 4,372,333	R 8,720,939
VAT	R1,383,911	R1,808,545	R1,984,718
Current portion non-current liabilities	R4,063,030	R1,391,818	R1,598,617
Net current assets/ liabilities	R 22,706,393	R 23,988,115	R 24,637,892
NET ASSETS	R 192,326,846	R 219,342,887	R 234,536,359

Table 8: Capital Investment Programme per GFS Classification

	2013/2014 (Budget)	2014/2015 (Forecast)	2015/2016 (Forecast)
<i>Municipal Manager</i>	9,500		
<i>Corporate Services</i>			
Civic Centre - Dundee	3,981,255	4,598,042	4,000,000.00
Corporate Services	70,500		
Computer Section		48,300	50,600.00
Dundee Library		69,000	260,000.00
Glencoe Admin			
Glencoe Library		30,000	5,000.00
Glencoe Townhall	650		
Glenridge Hall	650		
Moth Hall	5,000	200,000	100,000.00
Museum		28,600	53,500.00
Printing			15,000.00
Sibongile Library	11,600		
Sithembile Hall	650		
Hostel Sibongile		500,000	
Traffic		100,000	
Wasbank Library			
Disaster Management and Fire		63,000	63,000.00
Social Development			205,000.00

Council			
Council General Expenses	93,500		
Technical Services			
Electricity Streetlights	89,900		
Electricity Admin	3,811,600	3,113,100	747,400.00
Parks and Gardens	144,000	96,000	447,000.00
Refuse Removal	444,600	430,000	260,500.00
Cemetery Dundee		550,000	87,000.00
Cemetery Glenridge		46,000	
Cemetery Glencoe		36,000	
Cemetery Wasbank		36,000	
Swimming Bath Sibongile	115,000	130,000	
Street Cleaning		12,000	20,000.00
Town Engineer Admin	1,040,000		71,530.00
Town Engineer Mech Workshop	6,500	20,000	600,000.00
Town Engineer Roads	25,384,698	16,891,000	17,635,000.00
Treasury			
Stores	24,810		
Finance	74,300	18,630	7,406.00
TOTAL	35,308,713	27,015,672	24,627,936

Table 9: Capital Investment Programme per Category

	2013/2014 (Budget)	2014/2015 (Budget)	2015/2016 (Budget)
INFRASTRUCTURE			
Land & Buildings	3,981,255	4,598,042	4,000,000
Roads, pavements, bridges and storm water	25,384,698	16,891,000	17,635,000
Electricity reticulation	3,811,600	3,113,100	747,400
Street Lighting	89,900	100,000	-

TOTAL INFRASTRUCTURE ASSETS	33,267,453	24,702,142	22,382,400
OTHER ASSETS			
Plant & Equipment	1,635,100	1,226,000	1,486,030
Office equipment	291,160	457,530	759,506
Refurbishment	115,000	630,000	-
TOTAL OTHER ASSETS	2,041,260	2,313,530	2,245,536
TOTAL	35,308,713	27,015,672	24,627,936

Table 10: Capital Investment Programme per Funding Source

<i>Funding Source</i>	<i>2013/2014 (Budget)</i>	<i>2014/2015 (Budget)</i>	<i>2015/2016 (Budget)</i>
Revenue	13,646,328	10,014,672	8,792,936
CRR	-	-	-
External Loans	3,200,000	2,610,000	700,000
INEP	-	-	-
MIG	13,311,000	14,391,000	15,135,000
DOH	5,151,385	-	-
TOTAL	35,308,713	27,015,672	24,627,936

Table 11: Capital Investment Plan by KPA

Key Priority Area		2013 000	2014 000	2015 000	2016 000	2017 000	2018 000	Total 000
1.	Service Delivery & Infrastructure	504,979	77,331	42,404	42,835	300	350	668,199
2.	Sustainable Economic Growth , Development & LED	48,834	29,522	17,547	1,340	200	0	97,443
3.	Institutional Arrangements	1,500	0	0	0	0	0	1,500
4.	Governance & Organisational Arrangements	935	0	0	0	0	0	935
5.	Financial Viability	7,482	0	0	0	0	0	7,482
6.	Spatial Development Framework	0	100	0	0	0	0	100

Table 12: Capital Investment Plan by Funding Source

Key Priority Area		Total 000	Internal 000	External 000
1.	Service Delivery & Infrastructure	668,199	76,490	591,709
2.	Sustainable Economic Growth , Development & LED	97,443	13,979	83,464
3.	Institutional Arrangements	1,500	1,500	0
4.	Governance & Organisational Arrangements	935	0	935
5.	Financial Viability	7,482	7,482	0
6.	Spatial Development Framework	100	0	100